

Digital Article

Negotiating Skills



The Most Effective Negotiation Tactic, According to Al

New research reveals the secret to better deals lies in asking more open-ended questions. by Matteo Di Stasi, Jordi Quoidbach, and Alison Wood Brooks

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Imagine knowing a negotiation tactic that could boost your earnings by 20%, takes less than three minutes to prepare, and only a few seconds to implement. This powerful approach isn't a well-guarded Phoenician trade secret or a complex strategy devised by tacticians in hidden war rooms — it's simply the act of asking open-ended questions. Astonishingly, our research has found that open-ended questions

make up less than 10% of what most negotiators say during their conversations — a problem for anyone hoping to negotiate effectively.

Negotiation experts have long advised that the key to success lies in balancing inquiry (asking questions) with advocacy (persuasion). Yet, until now, it has been nearly impossible to determine with hard data what the ideal mix should look like. Our <u>research</u> takes us closer to cracking the negotiation code thanks to recent advances in AI and natural language processing.

By analyzing more than 60,000 speech turns from hundreds of negotiation interactions, we uncovered a deceptively simple truth: The more open-ended questions negotiators ask, the more money they make. Moreover, we discovered intriguing differences in the effectiveness of specific types of questions. Is asking "Why is this deadline important to you?" psychologically different — or better — than asking "How is this deadline important to you?" or "What is the importance of this deadline to you?" Our findings suggest that the wording of your questions can profoundly impact the responses you receive and the outcomes you achieve.

In this article, we explore how asking open-ended questions can transform your negotiation outcomes. Whether you're negotiating a business deal, a salary increase, or convincing a toddler to eat broccoli, understanding the power of question-asking can give you a significant edge.

Leveraging AI to Understand Micro Behaviors in Negotiation

Our team developed algorithms to analyze hundreds of hours of negotiation recordings from MBAs and executives worldwide. We meticulously examined communication behaviors down to the millisecond to uncover what leads to success at the bargaining table.

Among the factors we considered — such as who made the first offer, how much a negotiator smiled, their speaking speed, interruptions, pronoun usage, and whether they acted tough, polite, or warm — the biggest predictor of personal success was the number of open-ended questions they asked. Remarkably, there seemed to be no upper limit to the benefits of asking more questions. The more open-ended questions asked, the higher the gains. Even more striking, most negotiators did not ask enough questions: Fewer than one in 10 conversational turns contained an open-ended question — a costly strategic error.

Digging into the question advantage, we found that open-ended questions prompt responses that are roughly twice as long — and twice as informative — as responses to closed-ended questions or non-question statements. This depth of information gave negotiators a better understanding of their counterparts' positions, interests, and constraints, leading to more effective proposals and, ultimately, better outcomes. Notably, asking closed-ended questions did not lead to higher gains.

To substantiate our findings, we conducted a controlled experiment with participants assigned the role of a business owner or a property manager, negotiating the terms of a business lease for an office space in London. Negotiators had secret objectives and were compensated based on how well they met them. The business owner aimed to secure four parking spots, get a fiber-optic connection for Internet service installed, and preferred moving next quarter. The property manager wanted the tenant to move in next week, keep the current old internet cables, and no parking spots.

Participants playing the business owner role were randomly assigned to either an open-ended question condition, where they prepared three open-ended questions, or a control condition, where they prepared

three statements. Participants assigned to the property manager role were naive to their partner's question-asking intervention.

We observed profound differences in outcomes based on how negotiators structured their questions. Let's consider two contrasting conversations from our participants:

In the first conversation, Julia, playing the part of the business owner, skillfully used open-ended questions to explore what Mike, the property manager, cared about. She began by asking, "Which of the three issues is the most important to you?" This immediately revealed that Mike cared most about an expedient move-in date. Julia seized this information and suggested a trade-off: She'd consider moving in sooner if he granted her four parking spaces.

Mike, eager to close the deal, offered three parking spaces. Instead of haggling, Julia pivoted with another question: "What are you willing to offer for Internet?" This prompted Mike to sweeten the deal by replacing the old internet cables with fiber-optic cable — a win for Julia. However, Mike stood firm on offering only three spots. Rather than pushing back directly, Julia asked another question: "How important is the move-in date for you?" This led Mike to stress the urgency of the start date, reminding himself of its priority. Sensing an opportune moment, Julia made her final offer: She'd agree to move in next week in exchange for the top-tier internet and all four parking spots. This secured the deal, meeting nearly all her objectives (and fulfilling Mike's needs as well).

In contrast, let's track a conversation between Alex, playing the role of business owner, and Oscar, the property manager. Alex started with a closed question: "I'm looking to move in three months. Do you have anything available?" This allowed Oscar, the property manager, to give a short, clipped answer ("yes") and then take control of the conversation.

Oscar offered one parking space and the existing old internet cables if he stuck to the three-month timeline, or two spaces if Alex could move in sooner.

Instead of digging deeper, Alex followed up with another closed question: "Any possibility of installing fiber-optic for the Internet connection at any stage?" This prompted Oscar to offer it, but with only two parking spaces if Alex moved in next week. When Alex countered with yet another closed-ended question — whether Oscar would agree to a one-month move-in — Oscar reverted back to offering old internet cables and just one parking space.

Alex's closed-ended questions provided little insight into Oscar's priorities, leading to uninformed proposals. In the end, both Alex and Oscar walked away with almost none of what they wanted, highlighting how a lack of good questioning can lead to poor outcomes for everyone involved.

These examples illustrate our broader findings: Negotiators in the open-ended question condition achieved over 20% higher personal gains than those in the control condition. Crucially, these gains didn't come at the expense of their counterparts. Instead, they resulted from smarter agreements in which both parties discovered mutually beneficial solutions.

Different Types of Open-Ended Questions

Aiming to ask more open-ended questions is a great place to start. But not all open-ended questions are created equal. The type of open-ended question you ask can significantly influence the tone and content of the response, as well as the overall success of the negotiation. To examine question types in action, consider the cases of Judith and Kate, two

business owners in our negotiation experiment, each negotiating the move-in date with their respective property managers.

Judith asked, "Why do you need us to move in next week?" Her property manager responded, "Look, I've got *other tenants to manage*, and if you delay, it's going to *mess up my entire schedule*. I've already **bent over backward** to get you what you wanted, but this is *non-negotiable*." Judith's question uncovered the utmost importance of the move-in date for the landlord (*italicized terms*), but the response also carried some irritation (**bolded terms**).

Kate, on the other hand, asked, "How would moving in next week help your business?" Her property manager replied, "Well, moving in next week would be **great** for us. It keeps our *leasing plan on schedule* and *helps me coordinate better with the other tenants.*" While it was less obvious that the move-in date was the landlord's most critical concern, the tone was more relaxed and collaborative.

As illustrated in these examples, we analyzed responses to more than 4,500 open-ended questions from negotiators — and the responses they elicited. Our language models extracted both strategic information disclosure (*italicized*) and emotional tone (**bolded**) from the responses. We found that asking "Why" questions often elicited longer, more detailed responses, revealing useful information but also leading to more negative sentiment. In contrast, "How" questions tended to generate positive sentiment but less detailed responses. "What" questions fell in between, providing a balance between gathering information and maintaining a neutral or positive tone.

Lessons for Negotiators

Our research provides compelling evidence that negotiators can achieve significantly better outcomes by incorporating more open-ended

questions into their toolkit. Here are some practical tips to leverage this strategy:

1. Prepare open-ended questions in advance.

Before entering a negotiation, take the time to write down three to five open-ended questions you could ask to uncover valuable information about your counterpart's needs and constraints. Examples of powerful questions include "Why is this issue important to you?" "What is the biggest challenge you face?" "What do you care about?" or "How do we move forward?"

2. Turn closed-ended questions into open-ended ones.

Actively transform your usual closed-ended questions into open-ended formats. For instance, instead of asking, "Is this your final offer?" try asking, "What factors influence your final offer?" Instead of asking, "Do you need this by Friday?" ask, "Why do you need it done so soon?" Then, use these more informative responses to craft compelling counter-proposals.

3. Balance inquiry with relationship-building.

You may have uncovered your counterparts' interests and constraints like a pro, but you're still unlikely to get those extra concessions if they don't like you. Make sure you strategically balance "why," "what," and "how" questions throughout the conversation to gather in-depth information and build and maintain good rapport.

Negotiation is a core leadership and life skill — one that influences everything from the prices we pay and the salaries we earn to who picks up the kids from school. Despite its pervasiveness, people often overlook a simple strategy to achieve better outcomes: asking more open-ended questions, a strategy that is much easier if you spend just a couple of minutes brainstorming open-ended questions before the negotiation begins.

Prior work suggests that we shy away from asking questions out of fear of appearing incompetent or because we overestimate our persuasive powers. There is no doubt that assertiveness is essential at the bargaining table. However, our microscopic dive into negotiation conversations reveals a major imbalance in how people naturally pursue their goals to influence and learn. Most of us spend our time pitching and defending our positions without asking enough about the other side: working to discover what they want and why they want it.

By preparing and incorporating a mix of why, what, and how questions into our negotiations, we can uncover valuable information, build stronger relationships, and ultimately achieve better outcomes. So, the next time you're at the negotiation table, remember: less pitching, more asking. You might be surprised at what you learn — and how much you gain as a result.

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