

DEALING WITH DIFFICULT PEOPLE

FREE REPORT





Executive Committee

Guhan Subramanian

PON Executive Committee Chair Harvard Law School Harvard Business School

Max Bazerman

Harvard Business School

Gabriella Blum

Harvard Law School

Hannah Bowles

Harvard Kennedy School

Nicole Bryant

Program on Negotiation at Harvard Law School

Jared Curhan

Massachusetts Institute of Technology Sloan School of Management

Sheila Heen

Harvard Law School

Alain Lempereur

Brandeis University

Deepak Malhotra

Harvard Law School

Brian Mandell

Harvard Kennedy School

Robert Mnookin

Harvard Law School

Jeswald Salacuse

Tufts University Fletcher School

James Sebenius

Harvard Business School

Lawrence Susskind

Harvard Law School

Massachusetts Institute of Technology

About the Program on Negotiation at Harvard Law School

Widely recognized as the preeminent leader in the field of negotiation and negotiation research, the Program on Negotiation (PON) is an interdisciplinary, multi-university research center based at Harvard Law School. Offering timely executive education programs, teaching negotiation resources, the Negotiation Journal, special community events, and webinars, PON is a one-stop resource for both aspiring and accomplished negotiators.

Our faculty have negotiated peace treaties, brokered multi-billion dollar deals, and hammered out high-stakes agreements around the globe. They are prominent authors, leading researchers, and distinguished professors—many of whom have originated the negotiation strategies used by many of the world's most successful leaders...and they teach at PON's renowned programs:

- Negotiation and Leadership
- Negotiation Essentials Online
- Harvard Negotiation Master Class
- PON Expert (PONx)

Learn more or register at pon.harvard.edu/executive-education/

Table of Contents

Diagnose their motivations

by Katherine Shonk Page 1

Get past no

by Susan Hackley Page 5

Tame the hard bargainer

by Robert C. Bordone Page 10

10 more strategies

by Katherine Shonk Page 11

Diagnose their motivations

We've all met them: negotiators who seem to prefer competition over collaboration, stonewalling over problem solving, and tough talk over active listening. Perhaps it's the boss who refuses to allow you to take time off to help out an ailing parent. Or the potential customer who hands you a nonnegotiable draft of the deal she wants. Or the neighbor who responds with anger when you ask whether anything can be done about his dog's nighttime barking.

When dealing with a counterpart who won't give us what we want, we tend to write him off as difficult or irrational. Yet negotiation scholars point out that few people are truly irrational. Rather, there are times when each of us has motivations that others have trouble identifying. Before you walk away from the table—or, even worse, make a concession that you know won't be reciprocated—consider spending some time exploring the possible motivations behind your counterpart's obstinance. Below, we identify three types of hard bargainers and offer advice on getting through to each of them.

1. The accidental hard bargainer. Seasoned negotiators understand that mental shortcuts can impair our most important decisions without our awareness. In the *Negotiation* newsletter, we show you how to reduce the ill effects of subtle cognitive biases on your thinking, including overconfidence, egocentrism, and the tendency to escalate commitment to a chosen course of action. We also explore how emotions affect our decisions—for example, carrying over from one event to affect an unrelated negotiation.

In his December 2005 *Negotiation* article "Beware Your Counterpart's Biases," Harvard Business School professor Max H. Bazerman points out that when it comes to reaching durable, value-creating agreements, recognizing our own biases is only half the battle. We also need to be alert for biases in our counterparts.

Suppose that a manager would like to take a week's vacation to visit his mother, who is recovering from a sudden injury. After expressing his concern, the manager's supervisor explains with regret that he cannot grant the impromptu vacation time because the department is in the middle of its busy season. When the manager offers to work as much as he can during the trip, the supervisor expresses doubt that he would get much done. "I'm really sorry," he says, "but the answer is no."

The boss in this situation is making the mistake of taking a win-lose approach to the negotiation. Instead of brainstorming possible solutions that meet both parties' interests, he assumes that the employee's interests are incompatible with those of the company. In most negotiations, of course, more creative outcomes are within reach.

How can you help a counterpart be less biased? First, Bazerman recommends that you give the other party plenty of time to negotiate. When facing time pressure, we tend to rely on flawed snap judgments. Taking a break from a heated discussion relieves tensions and gives parties time to think more rationally. Second, model good negotiating behavior by suggesting possible tradeoffs that would allow each party to get what he wants. Third, avoid inducing tough statements from your counterpart, lest she feel backed into a corner.

The manager in this dilemma might model good negotiating behavior with a statement such as "I'm confident there's a solution that meets our shared interest in performing well during this busy time while also allowing me to take care of my family. If you have time to meet again this afternoon, I'll be ready with a few ideas." The break allows the manager to brainstorm options, such as taking a shorter trip than planned and working overtime in the days before and after the trip. With any luck, his boss should be open to treating the request as a negotiation rather than a unilateral decision.

2. The reluctant hard bargainer. Sometimes a negotiator's tough stance can be chalked up to constraints or interests of which you are unaware, write Deepak Malhotra and Max H. Bazerman in their book *Negotiation Genius: How to Overcome Obstacles and Achieve Brilliant Results at the Bargaining Table and Beyond* (Bantam, 2007).

Take the case of a potential customer who hands you a long "nonnegotiable" draft agreement. Trying to explain that negotiation is standard industry practice or touting your company's superior track record is unlikely to get you very far. After a short discussion, you might find yourself walking away from the table or, if you are desperate for business, accepting a bad deal wholesale.

Instead, try probing the interests behind your counterpart's excessive demands. "I think it's great that you have high standards because we do, too," you might say. "Why don't you tell me about what is keeping you from negotiating, and maybe we can move on from there."

She should then be willing to open up about some of the motivations behind her demands. Suppose she explains that her superiors have instructed her to reach an agreement within a week to meet upcoming production requirements. "I don't have time for extensive back-and-forth," she says. "I need to wrap this up and get someone on the job ASAP."

"Your deadline shouldn't be a problem," you assure her. "Let's try to make some headway this afternoon. If you don't feel we've accomplished enough, you can explore other options."

Your responsiveness could increase your appeal as a long-term business partner in addition to opening up a true negotiation.

Other hidden constraints your counterpart could be facing include advice from lawyers, the fear of setting a dangerous precedent, a tight budget, lack of authority, and commitments to other parties, write Bazerman and Malhotra. Do your best to show that you care about helping your counterpart negotiate within these constraints—or, better yet, see if you can help overcome them.

On a similar note, a hard bargainer may have hidden interests that he has failed to disclose. He might think your opening offer is unfair, he might have been offended by something you said or did, or he might be competing with colleagues to bring home the best deal. By asking questions designed to investigate the range of your counterpart's interests, you can discern if you are capable of meeting them.

3. The intentional hard bargainer. At times you will encounter negotiators who believe that hard bargaining is the most effective strategy. They may attempt to manipulate you by using displays of anger, hurt feelings, or even threats of violence to get what they want, writes Northwestern University professor Leigh Thompson in her book *The Mind and Heart of the Negotiator* (Pearson Prentice Hall, 2005). Thompson tells the story of AOL's advertising chief Myer Berlow playing with a large knife during a 2003 negotiation with Amazon.com CEO Jeff Bezos. When displeased by another AOL executive who was attending the meeting, Berlow reportedly threatened to stab him.

Manipulative negotiators are often quite effective at convincing their opponents to agree to their demands. We tend to assume that we will be strong in the face of a tough negotiating partner, but research by Kristina A. Diekmann of the University of Utah and Ann E. Tenbrunsel of Notre Dame University shows that we are actually likely to back down in the heat of the moment.

When dealing with a difficult person, you need to tread carefully. If modeling good negotiating behavior doesn't work, Massachusetts Institute of Technology professor Lawrence Susskind has several recommendations.

First, clarify to the other party that you can be pushed only so far. "If you can't be more flexible, it might be time for you to explore other offers," you might say.

Second, to get a reality check, include other members of your organization in the negotiation and encourage your counterpart to bring members of his as well.

Finally, summarize each negotiation session and send the memo to interested parties—a tactic that will put your partner on notice that others are monitoring his actions and statements. If your partner still refuses to cooperate after you have taken these steps, it is probably time to give up and move on.

By Katherine Shonk, Editor, Negotiation Briefings.

Adapted from "What Type of Hard Bargainer Are You Facing?"

First published in the August 2011 issue of Negotiation Briefings.

Get past no

Marty Spence was logging off his computer on Friday afternoon and eagerly looking forward to picking up his family to head to their lakeside home for the weekend. His boss suddenly appeared and said, "Marty, I need you to finish the Delcourt proposal so it's on their desks first thing Monday morning. I've got to catch a plane. No problem, right? I know I can count on you."

Spence quickly calculated that it would take most of the weekend to finish the proposal. Everyone else had already left, and his boss was headed for the door. The job would be dumped in his lap if he didn't say something fast. He was furious; this wasn't the first time his boss had asked him to take care of a problem he should have handled himself. What should he do?

As William Ury, author of *Getting Past No: Negotiating with Difficult People* (Bantam Books, 1991), explains, we all have to negotiate at times with difficult people. They might be stubborn, arrogant, hostile, greedy, or dishonest. Even ordinarily reasonable people can turn into opponents: A teenage daughter can be charming one moment and hurl insults at you the next. Your boss can be collaborative and understanding most of the time but make unreasonable demands on a Friday afternoon.

Holding your ground. Dealing with difficult people can be challenging, and doing it effectively calls for special skills.

In *Getting Past No*, Ury describes his five-step strategy for dealing with hard bargainers and difficult people. He calls his method "breakthrough negotiation," a way to "change the game from face-to-face confrontation into side-by-side problem-solving." (See the sidebar "Breakthrough Negotiation.")

When his boss demanded his help, Marty Spence's first impulse could have been to strike back. "You've had three months to work on this proposal, and I've asked several times if you needed help. I'm not giving up my weekend plans to bail you out at the eleventh hour." If he chose this path, he would be standing up for himself but possibly jeopardizing his relationship with his boss. Alternatively, he could have caved in and said, "Sure, you can count on me." Then he would have

had to face his disappointed family and deal with his own anger at having been unfairly used.

Another option would have been to try to engage his boss in joint problem solving. "You've got a plane to catch, and I'm headed out the door to pick up my family. It's important that I be there on time. I'd like to help you. I wish I had known about this earlier. Let's see what ideas we can come up with." This response acknowledges the boss's predicament—he has a plane to catch—while establishing that Spence has his own commitment. It suggests that together they may be able to come up with a solution (e.g., bring in someone else to help, each cut their weekend short by a half day, submit an incomplete report, or tell the client the report will be delivered at the end of the day on Monday).

When you need to just say no. Sometimes, even with joint problem solving, you need to convey a firm and clear "no." No, you won't work all weekend. No, your household budget cannot afford a new Jaguar. No, your assistant can't work from home two days a week. No, it's not acceptable that your supplier's delivery will be a month late. How do you say no while still preserving the relationship?

In his book *The Power of a Positive No: How to Say No and Still Get to Yes* (Bantam, 2007), Ury suggests sandwiching the no between two "yeses." First, say yes to your own interests and needs. Then say no to the particular demand or behavior. Finally, say yes as you make a proposal.

In the case of the assistant wanting to work from home, you may learn about her interests and still decide that they aren't compelling enough for you to agree to her request. You first explain your *interest*: "I want to have our team here working together and sharing ideas. I value your contribution and need you to be part of that team." Then comes the *no*: "I understand your concerns about the long commute, but I've decided that you can't work from home two days a week." Finally, a *proposal*: "We can talk about having you work from home occasionally, and we can talk about arranging your hours differently so you avoid peak commuting hours. Or we can discuss reassigning you to a different job where it's not as important for you to be here physically."

Facing the challenge. It can be extremely challenging to stand up to difficult people who may have an arsenal of weapons, including ridicule, bullying, insults, deception, and exaggeration. In some cases, they might attack you; in others, they

might avoid confrontation. Sometimes you are taken by surprise; at other times, there might be a chronic problem you need to address.

For example, if your ex-husband regularly belittles you in front of your children, don't just trade insults. Find a time when you can have a real conversation without interruption. Let him know how his remarks make you feel. Encourage him to talk about why he says these things. Ask questions, and make him feel heard. Then discuss your shared interest in the children's happiness.

Whenever possible, prepare in advance for difficult negotiations. First of all, know yourself. What are your hot-button issues? What is essential to you? What is unacceptable? Next, think about what you are likely to hear from your opponent and plan how you might react.

Consider the following golf analogy. Jack Nicklaus says that every golfer should regularly take a lesson that focuses on basics such as grip and alignment, because if your setup is sound, there's a decent chance you'll hit a reasonably good shot. Similarly, every skilled negotiator should do a prenegotiation inventory. Ask yourself, What are my goals? What is my strategy? What is my walkaway point? Like the proper setup in golf, if you plan your negotiation with focused preparation, you improve your chances of ending up with a good outcome.

Build a golden bridge. Once you have brought your difficult opponent to the table, you may need to build a "golden bridge," Ury's term for letting your opponent save face and view the outcome as at least a partial victory. Even when your boss comes into your office on Friday afternoon with an inconsiderate request, you need to say no in a way that conveys your respect for him as your boss. And you want your assistant to feel that you appreciate her contributions, even if you can't agree to let her work at home. Finally, you want your ex-spouse to know that you value his parenting, even while you ask him to stop belittling you for the good of the children.

So how do you help your difficult opponent save face, while still standing up for yourself? Ury suggests reframing the problem so that you draw your opponents in the direction you want them to move. By way of example, he relates a story told by filmmaker Steven Spielberg, who was relentlessly bullied by an older boy when he was about 13 years old. Spielberg figured he couldn't beat

the bully at his game, which was to use physical force, so he *changed the game*, inviting him to play a war hero in a movie he was making about fighting the Nazis. As Spielberg describes it, "I made him the squad leader in the film, with helmet, fatigues, and backpack. After that, he became my best friend."

This illustrates a key concept: involve your opponent in finding a solution. It's unlikely that a difficult person is going to accept your proposal fully, no matter how reasonable it is. Give him some choices: Would you prefer to meet at your office or mine? I could either pay a lump sum or make payments over time; which is better for you?

Hostage negotiators look for ways to build rapport and let the hostage takers save face, with the hope that the hostage takers will become more reasonable. The negotiators listen attentively to what the hostage takers want, whether it's an apology, a conversation with a loved one, a cup of coffee, or an acknowledgment of their grievance. The negotiators take careful notes, hoping to find something that will give them leverage.

Similarly, you should pay careful attention to your opponent, realizing that some of her needs may be unstated. A business owner who won't engage in problem solving to help close a deal to sell her business may turn out to have deep-seated ambivalence about selling. Realizing that, you might structure the deal as a joint venture, with a role for her in the new company.

Listen to learn. If there is a common denominator in virtually all successful negotiations, it is to be an *active listener*, by which Ury means not only to hear what the other person is saying but also to listen to what is behind the words. Active listening is something frequently talked about but rarely done well; it is a subtle skill that requires constant, thoughtful effort. A good listener will disarm his opponent by stepping to his side, asking open-ended questions, and encouraging him to tell you everything that is bothering him. Beyond that, Ury says, "he needs to know that you have heard [and understood] what he has said." So sum up your understanding of what he has said and repeat it in his own words.

Ury points out that there is a big payoff for you: "If you want him to acknowledge your point, acknowledge his first." And you may find you have little choice but to do this—how else to avoid a stalemate?

You don't have to like them. Dealing with difficult people does not mean liking them or even agreeing with them, but it does mean acknowledging that you understand their viewpoint.

Lakhdar Brahimi, a United Nations special envoy to Afghanistan in the aftermath of the September 11 terrorist attacks, was given the daunting task of negotiating with warlords and others who had caused many deaths, to try to create a stable government. He spoke of the need to negotiate with difficult people: "The nice people are sitting in Paris... To stop fighting, you've got to talk to the people who are doing the fighting, no matter how horrible they are... If I don't want to shake their hands, I shouldn't have accepted this job."

Whether you're negotiating with someone who is dangerously angry or only mildly annoying, the same skills are helpful in getting the results you want. Find out what your opponent wants and begin to build a case for why your solution meets her needs. If you're successful, you can turn your adversaries into your partners.

Breakthrough Negotiation

In *Getting Past No*, William Ury outlines five steps for negotiating with a difficult opponent, whether it's a boss, coworker, customer, salesclerk, or spouse.

- 1. Don't react: Go to the balcony. When someone is difficult, your natural reaction might be to get angry—or to give in. Instead, take yourself mentally to a place where you can look down objectively on the dispute and plan your response. Anytime you find your hot buttons getting pushed, try "going to the balcony."
- **2.** Disarm them by stepping to their side. One of the most powerful steps to take—and one of the most difficult—is to try to understand the other person's point of view. Ask questions and show genuine curiosity.
- **3. Change the game: Don't reject—reframe.** You don't have to play along with a difficult person's game. Instead of locking into a battle of will or fixed positions, consider putting a new frame on the negotiation.
- 4. Make it easy to say yes. Build a golden bridge. Look for ways to help your opponent save face and feel that he's getting his way, at least in some matters. Using objective standards of fairness can help create a bridge between your interests.

5. Make it hard to say no. Bring them to their senses, not their knees. Use your power and influence to help educate your opponent about the situation. If she understands the consequences and your alternatives, she may be open to reason.

By Susan Hackley, Managing Director, Program on Negotiation at Harvard Law School.

Adapted from "When Life Gives You Lemons: How to Deal with Difficult People."

First published in the November 2004 issue of Negotiation Briefings.

Tame the hard bargainer

DEAR NEGOTIATION COACH: I'm about to face off with an "old school" negotiator whose reputation for hard bargaining precedes him. I know I'm supposed to adopt a collaborative approach for the best results, but what about when the other side is being difficult? I'm afraid that if I'm too nice, I'll get taken to the cleaners.

Robert Bordone: Although I would caution you against adopting an unconditionally cooperative approach to negotiation, there are steps you can take to transform a potential zero-sum competition of wills into an interaction that is aligned toward problem solving—even with the hardest bargainer.

First, beware the common tendency to equate being collaborative with being nice. There's nothing inherently wrong with being nice, but niceness is not the point of mutual-gains negotiation. Rather, a collaborative approach is more of a bargaining stance than a personality style. Some negotiators view their counterparts as competitors with whom they must spar. Others jointly identify the issues up for discussion and work together to address them. It's possible to be nice or less than nice when you're taking either approach.

Second, examine your assumptions about the hard bargaining you expect to face. Consider that the other party may have a policy of acting difficult, or he may be unaware of the damage he's doing. Regardless, when you try to collaborate with him, you may feel you're stuck between either conceding or reverting to an old-school game of haggling. In most cases, this perceived either-or choice is a false one.

One effective antidote to troublesome behavior is active listening. Active listening doesn't mean waiting patiently for the other side to end a rant or nodding and saying, "I understand, but...". Instead, active listening entails

proactively interrupting the other party to paraphrase what he has said, asking follow-up questions to better understand confusing assertions, and acknowledging the highly charged emotions that may lurk below the surface. When done well, active listening can tame the hardest bargainer—which is why it's a central component of hostage- and crisis-negotiation training (see cover story).

To further move beyond the "fight back or give in" mentality, try to change the focus of a negotiation with a hard bargainer from positions to interests. Consider the example of a buyer who is demanding an extended payment schedule that the seller believes to be unreasonable. The two parties haggle over this single issue for months. Finally, a breakthrough: The seller asks the buyer to explain her desire for an extended payment schedule. The conversation changes the fundamental thrust of the negotiation from zero-sum to problem solving. In the process, the parties identify a creative way to resolve the issue—by having the seller collaborate with the buyers' accounts payable department to streamline its internal approval process.

When negotiators claim they've "tried everything," that usually isn't the case. The next time you're facing a difficult negotiator, employ these strategies. If all else fails, consult with a negotiation coach who can bring a fresh perspective to the situation.

By Robert C. Bordone, Thaddeus R. Beal Assistant Clinical Professor of Law, Harvard Law School.

Adapted from "Dear Negotiation Coach: Taming Hard Bargainers."

First published in the September 2008 issue of Negotiation Briefings.

10 more strategies

JESSICA TRIED TO STIFLE HER JOY. Charlie, the majority owner of the boutique hotel she managed in Miami, had just told her he wanted to sell the business to her. "I'm ready for a new challenge," he said from his usual seat at the bar, where he had spent the evening drinking wine and doing Sudoku puzzles. "Can we make a deal?"

After acquiring the hotel from his ex-wife during their divorce, Charlie had put himself on salary as the marketing manager. Since he hired Jessica to manage the hotel six years ago, its reputation and bookings had steadily climbed. Charlie

was nice enough, but Jessica had grown increasingly frustrated with his habit of blocking key improvements and neglecting his duties. He was holding the business back, she believed.

Jessica knew the deal was possibly a once-in-a-lifetime opportunity. Charlie offered to be bought out at a bargain price, stressing that she was the only person he'd entrust with the hotel. Nervous and excited, Jessica spent the next month lining up an investor. Lawyers wrangled over the details for another month.

The night before the deal was to be inked, Charlie called Jessica over to his bar stool. "I have a bad feeling about your investor," he said. "I'm withdrawing my offer. I'm going to rededicate myself to the business. Shall we pop open some champagne?"

Infuriated and crushed, Jessica stopped just short of quitting on the spot. She knew she needed to think through the situation before making any rash decisions.

We've all faced the unpleasant task of negotiating with people we view as irrational, incompetent, and downright aggravating. When such individuals say no to a beneficial deal, walking away may be the path of least resistance. Yet giving up could mean accepting a less desirable outcome.

What can you do when a difficult person is the main obstacle to a promising deal?

There are a number of strategies you can use to bring a negotiation back from the brink of failure. We present 10 suggestions here, in an order that you can alter according to the nature of your negotiation.

1. Set standards of behavior. Discuss acceptable norms of behavior with a potentially difficult counterpart before you negotiate, advises Stanford University professor Stephen John Stedman, who has studied "deal spoilers" in the context of global peacemaking initiatives.

Such norms can help you judge the legitimacy of the other party's demands and behaviors. If you think tempers could rise, for example, you might agree to listen respectfully to each other and to not raise your voices. Or if you suspect someone could get cold feet at the last moment, you might pledge to discuss ways to save the deal before walking away from the negotiating table.

By suggesting to Charlie that they confer with each other regularly while dealing individually with third parties, such as lawyers and potential investors, Jessica might have headed off his last-minute surprise.

2. Avoid dismissive labels. Too often, we label anyone standing in the way of our goals as irrational, stubborn, or worse. Such judgments can limit our options and result in costly strategic errors.

Even if you feel certain that someone's behavior is foolish, destructive, or downright crazy, acknowledge that he is acting out of very human concerns and

emotions. It's your job to find out what they are.

After Charlie rescinded his offer, Jessica was tempted to dismiss him as capricious and selfish. But she knew Charlie to be lazy, not flighty. She wondered if perhaps there was more to the story.

3. Take the pressure off. Time pressure can cause negotiators to say no to a deal when it would be in their best interest to say yes. For this reason, be sure all parties to an agreement have ample opportunity to consider proposals and contract drafts. Calling for a break gives everyone time to make smart decisions and can head off an escalating war of words.

Jessica speculated that Charlie was trying to revoke their deal because he was nervous about

signing the contract the next day. She considered the possibility that he needed more time to get used to the idea of leaving the hotel.

"I can't stop you if you want to call off the deal," she said to him, "but remember that decisions have consequences. How about if we meet tomorrow—just the two of us, no lawyers—and talk about what's best for us and for the hotel."

This suggestion had a calming effect on Charlie, who agreed to meet the next day to discuss his sudden reversal.

When Someone Says No: A Three-Pronged Approach

The strategies we've described for dealing with a potential spoiler fall into a broader three-part strategy:

- Work with the other party. Explore the obstructionist's interests and emotions; create and present a variety of proposals; and be candid about your own feelings and concerns.
- Work around the other party. Build a coalition that will help you influence the deal blocker or move forward with your plans without her assistance.
- Work without the other party. Pursue relationships and opportunities outside the current deal with the goal of creating an appealing alternative.

4. Probe the other side's point of view. How can you figure out the motives behind someone's seemingly stubborn position? Begin by questioning her about the problem she is trying to solve. Deal blockers may be held back by financial, legal, personal, or other constraints you don't know about, according to Harvard Business School professor Deepak Malhotra. A tough stance could also communicate a psychological need that isn't being satisfied.

At their meeting the next day, Jessica asked Charlie to explain the "bad feeling" he had about her financier, an investment banker who was a longtime customer at the hotel's restaurant.

As it turned out, Charlie had been off ended by the banker's hard-bargaining style. "He wouldn't return my calls, and his lawyer kept trying to lowball me," he said. "I refuse to do business with someone who doesn't take me seriously."

Jessica knew Charlie had held lingering grudges against others for far lesser slights. Instead of trying to persuade him to accept her investor, she decided to examine Charlie's change of heart about his own role in the hotel. "You told me you were ready for a new challenge," she said. "But now you say you're ready to work hard here. What's going on?"

Charlie hedged a bit and then admitted he was no more enthusiastic about fulfilling his marketing duties than he had been before. "I just want to make sure you stay in charge," he said. "And, frankly, I'm not really sure what I want to do next. It's a little scary to think of leaving this place."

- **5. Put forth multiple proposals.** Jessica was gaining a clearer picture of Charlie's reason for canceling the sale. After their meeting, she drew up three proposals:
 - Together, they could meet with her investor to talk through his and Charlie's differences in negotiating style and assess whether a deal was still possible.
 - Jessica could try to find another investor to buy out Charlie, though he would have to agree to some ground rules on timing and selection criteria before she agreed to this option.
 - Jessica would stay on at the hotel with Charlie as owner if he would agree to let her farm out his duties to outside firms and give her a stake in the business, with annual percentage increases based on performance.

Sometimes people will block deals simply to get your attention. By developing several proposals that meet your interests well and that also address the other side's needs, you convey the important message that you've been listening.

6. Be ready to walk. Note that Jessica's package of proposals contained an implicit threat: she would quit her job if nothing changed. She was tired of working for someone who blocked progress.

Threats and punishment may be necessary when you're negotiating with people who rigidly adhere to all their demands, according to Stanford's Stephen John Stedman.

You must be prepared to follow through on your threats, of course. That's why it's crucial for you to *research your best alternative to a negotiated agreement*, or BATNA, at the same time you're negotiating your preferred deal.

For Jessica, this meant quietly putting out feelers with her industry contacts during the time she was negotiating with Charlie. She became confident that she would be able to find a comparable job without too much trouble, though it would be difficult to match the day-to-day decision-making power that Charlie gave her.

7. Share your feelings. When someone calls off a deal at the last minute, don't assume she's deliberately trying to hurt you. It could very well be that she's preoccupied with her own interests and hasn't thought about how her decision will affect you.

For this reason, not only do you need to give potential deal spoilers a chance to vent, but you also need to articulate your own frustrations constructively. By doing so, you can encourage the other party to understand your perspective and guide her toward more collaborative behavior.

"Your decision about the investor was a huge letdown for me," Jessica said to Charlie before presenting her proposals. "Running my own hotel is my dream, as you know, and I feel as if you haven't thought about how changing your mind affects me."

Charlie apologized for putting Jessica through the wringer and promised to work with her toward a mutually beneficial solution. "I guess we're both feeling disrespected," he said. "I'll try to do better."

8. Weigh the benefits of a concession. Another option for dealing with difficult negotiators is to craft what Harvard Law School professor Robert C. Bordone calls a "workaround"—a strategy for meeting your current goals without the involvement or support of your adversary.

You might be able to induce a yes with a tempting concession on a key issue, according to Bordone. Offering a concession can be a dangerous strategy, as it may only encourage someone to push for more. But if a concession would allow you to move beyond that person once and for all, it may be your best option.

Jessica, for instance, might try to convince Charlie to get past his bad feeling about her investor by raising more money, whether from the same investor or other sources, and offering Charlie a higher price for his shares. Running the hotel without Charlie's interference might be worth the short-term cost of securing extra funds.

9. Build a coalition. Another workaround technique is to build coalitions that will influence the deal blocker in your favor. By enticing a recalcitrant party to follow influential others on a particular course, coalitions exploit *patterns of deference*, according to Harvard Business School professor James Sebenius.

To build a coalition in support of your desired outcome, make a list of those who have an interest in a potential deal, and consider how they might influence the spoiler. Next, figure out the best sequence in which to approach these parties. Finally, present your case to these key individuals.

Jessica contacted two people who had invested in the hotel in its early days and still owned a small stake: a cousin of Charlie's ex-wife and the hotel's first manager. Both were interested in selling their shares to Jessica for the right price. Jessica hoped that showing Charlie that other buyers saw value in selling their shares would convince him to join them.

10. Accept no for an answer. Badgering someone into accepting a deal is never a good idea, even if you're sure it would be in her best interest. Not only can coercion be unethical and even illegal, but also a dissatisfied counterpart could sabotage the deal during implementation. If you've exhausted the strategies above and the other party still won't say yes, it's time to move on.

In the end, Charlie continued to balk at selling all his shares in the hotel to Jessica. However, he was receptive to one of her other proposals. He agreed to

give her 15% ownership of the hotel, a percentage that would increase over time based on her job performance. He also promised to grant her even more decision-making authority, to turn over his marketing duties to outside professionals, and to cut his salary.

After talking through the offer with several trusted advisers, Jessica decided it was her best option at this point in her career. She and Charlie drew up a new contract, and she began looking at him as a partner rather than an obstacle.

By Katherine Shonk, Editor, Negotiation Briefings.

Adapted from "Bring Your Deal Back from the Brink."

First published in the August 2008 issue of Negotiation Briefings.



CONTINUE YOUR NEGOTIATION LEARNING



ATTEND AN UPCOMING EXECUTIVE EDUCATION PROGRAM

Negotiation and Leadership: Dealing with Difficult People and Problems

Designed to accelerate your negotiation capabilities, this three-day offering examines core decision-making challenges, analyzes complex negotiation scenarios, and provides a range of competitive and cooperative negotiation strategies. You will emerge well prepared to achieve better outcomes at the bargaining table, every time.

With In-Depth, Bonus One-Day Sessions

Groundbreaking ideas, global insights, and innovative strategies—all taught by the experts who literally wrote the book on them.

Harvard Negotiation Master Class: Advanced Strategies for Experienced Negotiators

The Harvard Negotiation Master Class features small-group, faculty-led consultations; customized feedback; and unprecedented access to negotiation experts from Harvard Law School and Harvard Business School.

Negotiation Essentials Online

Prepare yourself to negotiate, manage your emotions, create and claim value, and deal with difficult conversations through real-world case studies, simulations—with dynamic video-based lessons from PON's renowned faculty.

PON Expert (PONx)

Taught by world-class faculty, PON Expert one-day programs are designed to help you build expertise in a specific area—from managing emotions and negotiating international deals, dealing with difficult people and the art of saying no.

EDUCATE YOURSELF AND OTHERS ON KEY NEGOTIATION TOPICS

Access teaching materials and publications in the Teaching Negotiation Resource Center, including role-play simulations, videos, books, periodicals, and case studies. Most materials are designed for use by college faculty, corporate trainers, mediators, and facilitators, as well as individuals who seek to enhance their negotiation skills and knowledge.

READ THE NEGOTIATION JOURNAL

This quarterly publication is committed to the development of better strategies for resolving differences through the give-and-take process of negotiation. *Negotiation Journal*'s eclectic, multidisciplinary approach reinforces its reputation as an invaluable international resource for anyone interested in the practice and analysis of negotiation, mediation, and conflict resolution.