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SPOTLIGHT ON THE SOFTER SIDE OF NEGOTIATION

Emotion and the Art of Negotiation

How to use your feelings to your advantage
by Alison Wood Brooks

SPOTLIGHT

ARTWORK Jack Sutherland, *Vitrine*
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IT IS, WITHOUT QUESTION, my favorite day of the semester—the day when I teach my MBA students a negotiation exercise called “Honoring the Contract.”

I assign students to partners, and each reads a different account of a (fictitious) troubled relationship between a supplier (a manufacturer of computer components) and a client (a search engine start-up). They learn that the two parties signed a detailed contract eight months earlier, but now they’re at odds over several of the terms (sales volume, pricing, product reliability, and energy efficiency specs). Each student assumes the role of either client or supplier and receives confidential information about company finances and politics. Then each pair is tasked with renegotiating—a process that could lead to an amended deal, termination of the contract, or expensive litigation.

What makes this simulation interesting, however, lies not in the details of the case but in the top-secret instructions given to one side of each pairing before the exercise begins: “Please start the negotiation with a display of anger. You must display anger for a minimum of 10 minutes at the beginning.” The instructions go on to give specific tips for showing anger: Interrupt the other party. Call her “unfair” or “unreasonable.” Blame her personally for the disagreement. Raise your voice.

Before the negotiations begin, I spread the pairs all over the building so that the students can’t see how others are behaving. Then, as the pairs negotiate, I walk around and observe. Although some students struggle, many are spectacularly good at feigning anger. They wag a finger in their partner’s face. They pace around. I’ve never seen the exercise result in a physical confrontation—but it has come close. Some of the negotiators who did not get the secret instructions react by trying to defuse the other person’s anger. But some react angrily themselves—and it’s amazing how quickly the emotional responses escalate. When I bring everyone back into the classroom after 30 minutes, there are always students still yelling at each other or shaking their heads in disbelief.

During the debriefing, we survey the pairs to see how angry they felt and how they fared in resolving the problem. Often, the more anger the parties showed, the more likely it was that the negotiation ended poorly—for example, in litigation or an impasse (no deal). Once I’ve clued the entire class in on the setup, discussion invariably makes its way to this key insight: Bringing anger to a negotiation is like throwing a bomb into the process, and it’s apt to have a profound effect on the outcome.

Until 20 years ago, few researchers paid much attention to the role of emotions in negotiating—how feelings can influence the way people overcome conflict, reach agreement, and create value when dealing with another party. Instead, negotiation scholars focused primarily on strategy and tactics—particularly the ways in which parties can identify and consider alternatives, use leverage, and

execute the choreography of offers and counter-offers. Scientific understanding of negotiation also tended to home in on the transactional nature of working out a deal: how to get the most money or profit from the process. Even when experts started looking at psychological influences on negotiations, they focused on diffuse and nonspecific moods—such as whether negotiators felt generally positive or negative, and how that affected their behavior.

Over the past decade, however, researchers have begun examining how specific emotions—anger, sadness, disappointment, anxiety, envy, excitement, and regret—can affect the behavior of negotiators. They’ve studied the differences between what happens when people simply feel these emotions and what happens when they also express them to the other party through words or actions. In negotiations that are less transactional and involve parties in long-term relationships, understanding the role of emotions is even more important than it is in transactional deal making.

This new branch of research is proving extremely useful. We all have the ability to regulate how we experience emotions, and specific strategies can help us improve tremendously in that regard. We also have some control over the extent to which we express our feelings—and again, there are specific ways to cloak (or emphasize) an expression of emotion when doing so may be advantageous. For instance, research shows that feeling or looking anxious results in suboptimal negotiation outcomes. So individuals who are prone to anxiety when brokering a deal can take certain steps both to limit their nervousness and to make it less obvious to their negotiation opponent. The same is true for other emotions.

In the pages that follow, I discuss—and share coping strategies for—many of the emotions people typically feel over the course of a negotiation. Anxiety is most likely to crop up before the process begins or during its early stages. We’re prone to experience anger or excitement in the heat of the discussions. And we’re most likely to feel disappointment, sadness, or regret in the aftermath.

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Idea in Brief

THE PROBLEM	NEW FINDINGS	RECOMMENDATIONS
Negotiators typically focus on strategy, tactics, offers, and counteroffers and don't pay enough attention to how emotions affect what happens at the bargaining table.	Research shows that we can regulate the anxiety, anger, excitement, disappointment, or regret we may feel and express in the course of a negotiation—and doing so can help us make better deals.	Be aware of the emotions that negotiators commonly experience and how displays of emotion may be perceived. Then take specific steps to respond. For example, feeling or looking anxious weakens your bargaining power, so prepare and rehearse to stay calm, or ask a third party to negotiate for you.

Avoiding Anxiety

Anxiety is a state of distress in reaction to threatening stimuli, particularly novel situations that have the potential for undesirable outcomes. In contrast to anger, which motivates people to escalate conflict (the “fight” part of the fight-or-flight response), anxiety trips the “flight” switch and makes people want to exit the scene.

Because patience and persistence are often desirable when negotiating, the urge to exit quickly is counterproductive. But the negative effects of feeling anxious while negotiating may go further. In my recent research, I wondered if anxious negotiators also develop low aspirations and expectations, which could lead them to make timid first offers—a behavior that directly predicts poor negotiating outcomes.

In work with Maurice Schweitzer in 2011, I explored how anxiety influences negotiations. First we surveyed 185 professionals about the emotions they expected to feel before negotiating with a stranger, negotiating to buy a car, and negotiating to increase their salary. When dealing with a stranger or asking for a higher salary, anxiety was the dominant emotional expectation; when negotiating for the car, anxiety was second only to excitement.

To understand how anxiety can affect negotiators, we then asked a separate group of 136 participants to negotiate a cell phone contract that required agreeing on a purchase price, a warranty period, and the length of the contract. We induced anxiety in half the participants by having them listen to continuous three-minute clips of the menacing theme music from the film *Psycho*, while the other half listened to pleasant music by Handel. (Researchers call this “incidental” emotional manipulation, and it's quite powerful. Listening to the *Psycho* music is genuinely uncomfortable: People's palms get sweaty, and some listeners become jumpy.)

In this experiment and three others, we found that anxiety had a significant effect on how people negotiated. People experiencing anxiety made weaker first offers, responded more quickly to each move the counterpart made, and were more likely to exit negotiations early (even though their instructions clearly warned that exiting early would reduce the value they received from the negotiation). Anxious negotiators made deals that were 12% less financially attractive than those made by negotiators in the neutral group. We did discover one caveat, however: People who gave themselves high ratings in a survey on negotiating aptitude were less affected by anxiety than others.

Those experiments examined what happens when people feel anxious. But what happens when they express that anxiety, making it clear to their counterparts that they're nervous (and perhaps vulnerable)? In 2012, with Francesca Gino and Maurice Schweitzer, I conducted eight experiments to explore how anxious people behaved in situations in which they could seek advice from others. We found that relative to people who did not feel anxious, they were less confident, more likely to consult others when making decisions, and less able to discriminate between good and bad advice. In the most relevant of these experiments, we found that anxious participants did not discount advice from someone with a stated conflict of interest, whereas subjects feeling neutral emotions looked upon that advice skeptically. Although this research didn't directly address how the subjects would negotiate, it suggests that people who express anxiety are more likely to be taken advantage of in a negotiation, especially if the other party senses their distress.

Excellent negotiators often make their counterparts feel anxious on purpose. For example, on the TV show *Shark Tank*, six wealthy investors (sharks)

negotiate with entrepreneurs hoping for funding. The entrepreneurs must pitch their ideas in front of a huge television audience and face questions from the investors that are often aggressive and unnerving. As this is going on, stress-inducing music fills the TV studio. This setup does more than create drama and entertainment for viewers; it also intentionally puts pressure on the entrepreneurs. The sharks are professional negotiators who want to knock the entrepreneurs off balance so that it will be easier to take ownership of their good ideas at the lowest price possible. (When multiple sharks want to invest, they often drop comments that are intended to make opposing investors anxious too.) If you watch the show closely, you'll probably notice a pattern: The entrepreneurs who seem least rattled by the environmental stressors tend to negotiate the most carefully and deliberately—and often strike the best deals.

The takeaway from both research and practice is clear: Try your utmost to avoid feeling anxious while negotiating. How can you manage that? Train, practice, rehearse, and keep sharpening your negotiating skills. Anxiety is often a response to novel stimuli, so the more familiar the stimuli, the more comfortable and the less anxious you will feel. (That's why clinicians who treat anxiety disorders often rely on exposure therapy: People who are nervous about flying on airplanes, for instance, are progressively exposed to the experience, first getting used to the sights and sounds, then sitting in airliner seats, and ultimately taking flights.) Indeed, although many people enroll in negotiation classes to learn strategies and increase skills, one of the primary benefits is the comfort that comes from repeatedly practicing deal making in simulations and exercises. Negotiation eventually feels more routine, so it's not such an anxiety-inducing experience.

Another useful strategy for reducing anxiety is to bring in an outside expert to handle the bargaining. Third-party negotiators will be less anxious because their skills are better honed, the process is routine

for them, and they have a lower personal stake in the outcome. Outsourcing your negotiation may sound like a cop-out, but it's a frequent practice in many industries. Home buyers and sellers use real estate brokers partly for their negotiating experience; athletes, authors, actors, and even some business executives rely on agents to hammer out contracts. Although there are costs to this approach, they are often more than offset by the more favorable terms that can be achieved. And although anxious negotiators may have the most to gain from involving a third party (because anxiety can be a particularly difficult emotion to regulate in an uncomfortable setting), this strategy can also be useful when other negative emotions surface.

Managing Anger

Like anxiety, anger is a negative emotion, but instead of being self-focused, it's usually directed toward someone else. In most circumstances, we try to keep our tempers in check. When it comes to negotiating, however, many people believe that anger can be a productive emotion—one that will help them win a larger share of the pie.

This view stems from a tendency to view negotiations in competitive terms rather than collaborative ones. Researchers call this the fixed-pie bias: People, particularly those with limited experience making deals, assume that a negotiation is a zero-sum game in which their own interests conflict directly with a counterpart's. (More-experienced negotiators, in contrast, look for ways to expand the pie through collaboration, rather than nakedly trying to snatch a bigger slice.) Anger, the thinking goes, makes one seem stronger, more powerful, and better able to succeed in this grab for value.

In fact, there's a body of research—much of it by Keith Allred, a former faculty member at Harvard's Kennedy School of Government—that documents the consequences of feeling angry while negotiating. This research shows that anger often harms the

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Managing Your Counterpart's Emotions

Negotiating is an interpersonal process. There will always be at least one other party (and often many more) involved. In the adjoining article I discuss how to manage your own emotions during a negotiation. But what about the other people at the table? Can you manage their emotions as well? I suggest two strategies for doing so.

process by escalating conflict, biasing perceptions, and making impasses more likely. It also reduces joint gains, decreases cooperation, intensifies competitive behavior, and increases the rate at which offers are rejected. Angry negotiators are less accurate than neutral negotiators both in recalling their own interests and in judging other parties' interests. And angry negotiators may seek to harm or retaliate against their counterparts, even though a more cooperative approach might increase the value that both sides can claim from the negotiation.

Despite these findings, many people continue to see advantages to feeling or appearing angry. Some even attempt to turn up the volume on their anger, because they think it will make them more effective in a negotiation. In my own research, I have found that given a choice between feeling angry and feeling happy while negotiating, more than half the participants want to be in an angry state and view it as significantly advantageous.

There *are* cases when feeling angry can lead to better outcomes. Research by Gerben van Kleef at the University of Amsterdam demonstrates that in a one-time, transactional negotiation with few opportunities to collaborate to create value, an angry negotiator can wind up with a better deal. There may even be situations in which a negotiator decides to feign anger, because the counterpart, in an attempt to defuse that anger, is likely to give ground on terms. This might work well if you are haggling with a stranger to buy a car, for example.

But negotiators who play this card must be aware of the costs. Showing anger in a negotiation damages the long-term relationship between the parties. It reduces liking and trust. Research by Rachel Campagna at the University of New Hampshire shows that false representations of anger may generate small tactical benefits but also lead to considerable and persistent blowback. That is, faking anger can create authentic feelings of anger, which in turn diminish trust for both parties. Along the same lines, research by Jeremy Yip and Martin Schweinsberg demonstrates that people who encounter an angry negotiator are more likely to walk away, preferring to let the process end in a stalemate.

In many contexts, then, feeling or expressing anger as a negotiating tactic can backfire. So in most cases, tamping down any anger you feel—and limiting the anger you express—is a smarter strategy. This may be hard to do, but there are tactics that can help.

1 Be observant. Perceiving how other people are feeling is a critical component of emotional intelligence, and it's particularly key in negotiations (as Adam Galinsky and his colleagues have found). So tune in to your counterpart's body language, tone of voice, and choice of words. When her verbal and nonverbal cues don't match up, ask questions. For example, "You are telling me you like this outcome, but you seem uneasy. Is something making you uncomfortable?" Or "You say you're angry, but you seem somewhat pleased. Are you truly upset about something? Or are you trying to intimidate me?"

Asking pointed questions based on your perceptions of the other party's emotional expressions will make it easier for you to understand her perspective (a task people are shockingly bad at, according to research by Nicholas Epley). It will also make it difficult for a counterpart to lie to you; evidence suggests that people prefer to tell lies of omission about facts rather than lies of commission about feelings.

2 Don't be afraid to exert direct influence on your counterpart's emotions. This may sound manipulative or even unscrupulous, but you can use this influence for good. For example, if your counterpart seems anxious or angry, injecting humor or empathetic reassurance can dramatically change the tone of the interaction. By the same token, if your counterpart seems overconfident or pushy, expressing well-placed anger can inspire a healthy dose of fear.

In recent research with Elizabeth Baily Wolf, I have found that it's possible to go even further in managing others' emotions: You display an emotion, your counterpart sees it, and then you shape his interpretation of it. For example, imagine that you start crying at work. (Crying is a difficult-to-control and often embarrassing behavior.) Saying "I'm in tears because I'm passionate" rather than "I'm sorry I'm so emotional" can completely change the way others react and the way they view your self-control and competence.

Building rapport before, during, and after a negotiation can reduce the odds that the other party will become angry. If you seek to frame the negotiation cooperatively—to make it clear that you're seeking a win-win solution instead of trying to get the lion's share of a fixed pie—you may limit the other party's perception that an angry grab for value will work well. If the other party does become angry, apologize. Seek to soothe. Even if you feel that his anger is unwarranted, recognize that you're almost certainly better positioned tactically if you can reduce the hostility.

Perhaps the most effective way to deal with anger in negotiations is to recognize that many

negotiations don't unfold all at once but take place over multiple meetings. So if tensions are flaring, ask for a break, cool off, and regroup. This isn't easy when you're angry, because your fight-or-flight response urges you to escalate, not pull back. Resist that urge and give the anger time to dissipate. In heated negotiations, hitting the pause button can be the smartest play.

Finally, you might consider reframing anger as sadness. Though reframing one negative emotion as another sounds illogical, shared feelings of sadness can lead to cooperative concession making, whereas oppositional anger often leads to an impasse.

Handling Disappointment and Regret

It can be tempting to see negotiations in binary terms—you either win or lose. Of course, that is generally too simplistic: Most complex negotiations will end with each side having achieved some of its goals and not others—a mix of wins and losses. Still, as a negotiation winds down, it's natural to look at the nascent agreement and feel, on balance, more positive or negative about it.

Disappointment can be a powerful force when it's expressed to the other party near the end of the negotiation. There's a relationship between anger and disappointment—both typically arise when

PREPARING YOUR EMOTIONAL STRATEGY

Preparation is key to success in negotiations. It's vital to give advance thought to the objective factors involved (Who are the parties? What are the issues? What is my best outside option if we don't reach a deal?), but it is perhaps even more important to prepare your emotional strategy. Use the following questions and tips to plan ahead for each stage of the negotiation.

ASK YOURSELF:

REMEMBER:

The buildup

- How do I feel?
- Should I express my emotions?
- How might the people across the table feel?
- Are they likely to hide or express their emotions?
- Should I recruit a third party to negotiate on my behalf?

- It's normal to feel anxious and excited.
- Try to avoid expressing anxiety.
- Expressing forward-looking excitement may help build rapport.
- In emotionally charged situations (such as a divorce), consider having a third party (such as a lawyer) negotiate on your behalf.

The main event

- What things could happen that would make me feel angry?
- What things might I do that would trigger my counterparts to feel angry?
- What might they do or ask that would make me feel anxious?

- Be careful about expressing anger; it may extract concessions but harm the long-term relationship.
- Avoid angering your counterparts; they are likely to walk away.
- Preparing answers to tough questions is critical for staying calm in the moment.

The finale

- What are the possible outcomes of the negotiation? What do I hope to achieve? What do I expect to achieve?
- How would those outcomes make me feel?
- Should I express those feelings? To whom?
- How are my counterparts likely to feel about the possible outcomes?

- To reduce disappointment, outline clear aspirations and expectations and adjust them throughout the negotiation.
- When you feel pleased about an outcome, it may be wise to keep it to yourself.
- The best negotiators create value for everyone, claiming the lion's share for themselves but making their counterparts feel that they, too, won.

an individual feels wronged—and it's useful to understand how one can be used more constructively than the other. (Think back to how you reacted as a child if your parents said "I'm very disappointed in you" instead of "I'm very angry with you.") Although expressing anger may create defensiveness or increase the odds of a standoff, expressing disappointment can serve a more tactical purpose by encouraging the other party to look critically at her own actions and consider whether she wants to change her position to reduce the negative feelings she's caused you.

Research shows that one cause of disappointment in a negotiation is the speed of the process. When a negotiation unfolds or concludes too quickly, participants tend to feel dissatisfied. They wonder if they could or should have done more or pushed harder. Negotiation teachers see this in class exercises: Often the first students to finish up are the most disappointed by the outcome. The obvious way to lessen the likelihood of disappointment is to proceed slowly and deliberately.

Regret is slightly different from disappointment. While the latter tends to involve sadness about an outcome, someone feeling regret is looking a little more upstream, at the course of actions that led to this unhappy outcome, and thinking about the missteps or mistakes that created the disappointment.

Research shows that people are most likely to regret actions they didn't take—the missed opportunities and errors of omission, rather than errors of commission. That can be a powerful insight for negotiators, whose primary actions should be asking questions, listening, proposing solutions, and brainstorming new alternatives if the parties can't agree. Ironically, people often don't ask questions while negotiating: They may forget to raise important matters or feel reluctant to probe too deeply, deeming it invasive or rude. Those fears are often misplaced. In fact, people who ask a lot of questions tend to be better liked, and they learn more things.

In negotiations, information is king and learning should be a central goal. One way to reduce the potential for regret is to ask questions without hesitation. Aim to come away from the negotiation with the sense that every avenue was explored.

Skilled negotiators use another technique to minimize the odds of regret: the "post-settlement settlement." This strategy recognizes that tension often dissipates when there's a deal on the table that makes everyone happy, and sometimes the best negotiating happens after that tension is released. So instead of shaking hands and ending the deal making, one party might say, "We're good. We have terms we can all live with. But now that we know we've reached an agreement, let's spend a few more minutes chatting to see if we can find anything that sweetens it for both sides." Done ineptly, this might seem as if one party is trying to renege or renegotiate. However, when handled deftly, a post-settlement settlement can open a pathway for both sides to become even more satisfied with the outcome and stave off regrets.

Tempering Happiness and Excitement

There isn't much research on how happiness and excitement affect negotiations, but intuition and experience suggest that expressing these emotions can have significant consequences. The National Football League prohibits and penalizes "excessive celebrations" after a touchdown or big play because such conduct can generate ill will. For the same reason, the "winner" in a deal should not gloat as the negotiations wrap up. Nonetheless, this happens all the time: In workshops I routinely see students unabashedly boast and brag (sometimes to the entire class) about how they really stuck it to their opponents in a negotiation exercise. Not only do these students risk looking like jerks, but in a real-world setting they might suffer more dire consequences, such as the other party's invoking a right of rescission, seeking to renegotiate, or taking

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punitive action the next time the parties need to strike a deal.

Although it's unpleasant to feel disappointed after a negotiation, it can be even worse to make your counterparts feel that way. And in certain situations, showing happiness or excitement triggers disappointment in others. The best negotiators achieve great deals for themselves but leave their opponents believing that they, too, did fabulously, even if the truth is different. In deals that involve a significant degree of future collaboration—say, when two companies agree to merge, or when an actor signs a contract with a producer to star in an upcoming movie—it can be appropriate to show excitement, but it's important to focus on the opportunities ahead rather than the favorable terms one party just gained.

Another danger of excitement is that it may increase your commitment to strategies or courses of action that you'd be better off abandoning. In my negotiation class, we do an exercise in which students must decide whether or not to send a race car driver into an important race with a faulty engine. Despite the risks, most students opt to go ahead with the race because they are excited and want to maximize their prize winnings. The exercise has parallels to a real-life example: the launch of the *Challenger* space shuttle. Though the engineers who designed the *Challenger's* faulty O-ring had qualms about it, NASA managers were overly excited and determined to proceed with the launch. Their decision ultimately led to the craft's explosion and the loss of its seven crew members.

There are two lessons for negotiators. First, be considerate: Do not let your excitement make your counterparts feel that they lost. Second, be skeptical: Do not let your excitement lead to overconfidence or an escalation of commitment with insufficient data.

NEGOTIATING REQUIRES some of the same skills that playing poker does—a strategic focus, the imagination to see alternatives, and a knack for assessing odds, reading people, understanding others'

positions, and bluffing when necessary. However, whereas the parties in a negotiation must strive for agreement, poker players make decisions unilaterally. Poker also lacks win-win outcomes or pie-sharing strategies: Any given hand is generally a zero-sum game, with one player's gains coming directly from the other players' pots.

Nonetheless, negotiators can learn a crucial lesson from the card table: the value of controlling the emotions we feel and especially those we reveal. In other words, good negotiators need to develop a poker face—not one that remains expressionless, always hiding true feelings, but one that displays the right emotions at the right times.

And although all human beings experience emotions, the frequency and intensity with which we do so differs from person to person. To be a better deal maker, conduct a thorough assessment of which emotions you are particularly prone to feel before, during, and after negotiations, and use techniques to minimize (or maximize) the experience and suppress (or emphasize) the expression of emotions as needed.

In one of my favorite scenes from the TV show *30 Rock*, the hard-driving CEO Jack Donaghy (Alec Baldwin), who fancies himself an expert negotiator, explains to a colleague why he struck a poor deal: "I lost because of emotion, which I always thought was a weakness, but now I have learned can also be a weapon." Borrowing Jack's insightful metaphor, I urge you to wield your emotions thoughtfully. Think carefully about when to draw these weapons, when to shoot, and when to keep them safely tucked away in a hidden holster. Try to avoid feeling anxious, be careful about expressing anger, ask questions to circumvent disappointment and regret, and remember that happiness and excitement can have adverse consequences.

Just as you prepare your tactical and strategic moves before a negotiation, you should invest effort in preparing your emotional approach. It will be time well spent. ♥

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