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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



Alison Wood Brooks is an assistant professor at Harvard Business School. She teaches negotiation in the MBA and executive education curricula and is affiliated with the Behavioral Insights Group.

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I **T 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.

Idea in Brief

THE PROBLEM

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.

NEW FINDINGS

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.

RECOMMENDATIONS

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)

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 onetime, 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

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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