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## Don't React:

### GO TO THE BALCONY

Speak when you are angry and you will make the best speech you will ever regret.

—Ambrose Bierce

If you watch the negotiations going on around you, you will see countless instances in which people react to each other without thinking. Too many negotiations proceed like this:

HUSBAND (*thinking he is focused on the problem*): Honey, we've got to do something about the house. It's a mess.

WIFE (*perceiving this as a personal attack*): You don't lift a finger! You don't even do the things you promise. Last night—

HUSBAND (*interrupting*): I know. I know. It's just that—

WIFE (*not listening*):—you said you'd take out the garbage. I had to do it this morning.

HUSBAND (*trying to return to the problem*): Don't get defensive. I was just trying to point out that we're both—

WIFE (*not listening*): And it was your turn to take the kids to school.

HUSBAND (*reacting*): Come on! I told you I had a breakfast meeting this morning.

WIFE (*beginning to shout*): Oh, so your time is more important than mine, is it? I have a job too! I'm sick and tired of playing second fiddle in this band.

HUSBAND (*beginning to shout*): Give me a break! Who's paying most of the bills around here?

Neither the husband's interest in a clean house nor the wife's interest in more help is advanced by this exchange. But that doesn't stop either spouse from going at the other. Action provokes reaction, reaction provokes counterreaction, and on it goes in an endless argument. The same pattern repeats itself when business partners quarrel about who gets the corner office, when union and management officials wrestle over work rules, or when ethnic groups battle over territory.

### Three Natural Reactions

Human beings are reaction machines. The most natural thing to do when confronted with a difficult situation is to react—to act without thinking. There are three common reactions:

## **Striking Back**

When the other side attacks you, your instinctive reaction is to attack right back, to “fight fire with fire” and “give them a taste of their own medicine.” If they take a rigid and extreme position, you do the same.

Occasionally, this shows them that two can play the same game and makes them stop. More often, however, this strategy lands you in a futile and costly confrontation. You provide them with a justification for their unreasonable behavior. They think: “Ah, I knew that you were out to get me. This proves it.” Escalation often follows in the form of a shouting match, a corporate showdown, a lawsuit, or a war.

Take the example of the senior manager who had developed a new information system for his company’s manufacturing process. To implement it he needed the agreement of all the plant managers across the country. Everyone agreed except for the manager of the largest plant in Dallas, who told him: “I don’t want your people fooling around in my business. The only way things get done around here is if I’m in control. I can do the job better on my own.” Frustrated, the systems manager reacted by threatening to take the matter to the company president, but that only enraged the plant manager. The end result: The systems manager’s appeal to the company president backfired, since it implied the manager couldn’t work smoothly with peers. What’s more, the president refused to intervene, and the new information system languished on the drawing table.

Striking back rarely advances your immediate interests and usually damages your long-term relationships. Even if you do win the battle, you may lose the war.

The other problem with striking back is that people who play hardball are usually very good at it. They may actually be hoping that you are going to attack them. If you do, you put yourself on their home turf, playing the game the way they like to play it.

## **Giving In**

The opposite of striking back is giving in. The other side may succeed in making you feel so uncomfortable with the negotiation that you give in just to be done with it. They pressure you, implying that you are the one who is blocking agreement. Do you really want to be the one responsible for dragging out the negotiations, disrupting the relationship, missing the opportunity of a lifetime? Wouldn't it just be better to say yes?

Many of us make agreements only to wake up the next morning slapping our foreheads and exclaiming, "How could I have been so stupid! What did I agree to?" Many of us sign contracts—for example, when buying a car—without reading all the fine print. Why? Because the salesperson is leaning over us, the kids are eagerly waiting to drive home in the new car, and we're afraid of looking stupid if we ask questions about the contract, which is totally incomprehensible anyway.

Giving in usually results in an unsatisfactory outcome. You feel "had." Moreover, it rewards the other side for bad behavior and gives you a reputation for weakness that they—and others—may try to exploit in the future. Just as giving in to a child's temper tantrum only reinforces this behavior pattern, so, too, giving in to an angry person only encourages angry outbursts in the future. Our boss's and client's terrible tempers may appear to

be uncontrollable—but a temper *can* be controlled. They probably don't throw tantrums in front of *their* bosses.

Sometimes we are intimidated and appease unreasonable people under the illusion that if we give in just this one last time, we will get them off our back and will never have to deal with them again. All too often, however, such people come back for further concessions. There is a saying that an appeaser is someone who believes that if you keep on throwing steaks to a tiger, the tiger will eventually become a vegetarian.

## Breaking Off

A third common reaction is to break off relations with the difficult person or organization. If it's a marriage, we get a divorce. If it's a job, we resign. If we are involved in a joint venture, we dissolve it.

At times, avoidance is a perfectly appropriate strategy. Sometimes it is better to end a personal or business relationship if continuing means being taken advantage of or getting into fights again and again. Sometimes, too, breaking off reminds the other side of their stake in the relationship and leads them to act more reasonably.

But the costs—both financial and emotional—of breaking off the relationship are often high: a lost client, a career setback, a shattered family. Breaking off is frequently a hasty reaction that we come to regret later. We all know people who take a job or enter a personal relationship, become frustrated with their boss or partner, and then leave without giving it a chance. Often they misinterpret the other person's behavior and do not try to work it out. A pattern of breaking off relationships

means you never get anywhere because you are always starting over.

## The Dangers of Reacting

In reacting, we lose sight of our interests. Consider the Pentagon's reaction to the Iranian hostage crisis of 1979–81. Shortly after the crisis began, a news reporter asked a Pentagon spokesperson what the armed forces were doing to help. The spokesperson answered that there was not much they could do without jeopardizing the lives of the American hostages. The Pentagon, he continued, was working on tough measures to be carried out *after* the hostages were released. But he wasn't thinking clearly: Why would the Iranian students release the hostages if they believed that the United States would retaliate soon afterward? The Pentagon made the all-too-common mistake of confusing getting even with getting what you want.

Often the other side is actually trying to make you react. The first casualty of an attack is your objectivity—the faculty you need most to negotiate effectively. They are trying to throw you off balance and prevent you from thinking straight. They are trying to bait you like a fish so that they can control you. When you react, you are hooked.

Much of your opponent's power derives from the ability to make you react. Have you ever wondered how a small terrorist group in the Middle East can command worldwide attention and create sleepless nights for the leader of the most powerful nation on earth—simply by nabbing a passing American on the street? The hostage-takers have

hardly any power in and of themselves—their power comes from the reaction of the American public.

Even if reacting doesn't lead to a gross error on your part, it feeds the unproductive cycle of action and reaction. Ask the wife why she shouts at her husband and she may answer, "Because *he* shouts at me." Ask the husband and he will give the same answer: "Because *she* shouts at me." By reacting, you become part of the problem. Just as it takes two to tango, it takes two to tangle.

## Go to the Balcony

If the bad news is that you contribute to the vicious cycle of action and reaction, the good news is that you have the power to break the cycle at any time—*unilaterally*. How? By *not* reacting. In physics class we learn that "for every action, there is an equal and opposite reaction." Newton's law, however, applies to objects, not minds. *Objects react. Minds can choose not to.*

O. Henry's story "The Ransom of Red Chief" offers a fictional example of the power of not reacting. When their son was kidnapped, the parents chose not to respond to the kidnappers' demands. As time passed, the boy became such a burden to the kidnappers that they offered to pay the parents to take him back. The story illustrates the psychological game that depends on your reacting. By refusing to react, the parents thwarted the kidnappers' plans.

When you find yourself facing a difficult negotiation, you need to step back, collect your wits, and see the situation objectively. Imagine you are negotiating on a stage

and then imagine yourself climbing onto a balcony overlooking the stage. The “balcony” is a metaphor for a mental attitude of detachment. From the balcony you can calmly evaluate the conflict almost as if you were a third party. You can think constructively for both sides and look for a mutually satisfactory way to resolve the problem.

In the ancient Japanese art of swordsmanship, students were instructed to look at an opponent as if he were a far-off mountain. Musashi, the greatest samurai of all, called this a “distanced view of close things.” Such is the view from the balcony.

Going to the balcony means distancing yourself from your natural impulses and emotions. Consider the case of a film executive named Janet Jenkins, who was winding up a multimillion-dollar sale of programming to a cable TV network. An hour into her final meeting with the network negotiator, the head of the network stormed in. He attacked Janet’s product and her personal integrity and demanded radical changes in the deal. Instead of reacting, however, Janet controlled her emotions and went to her mental balcony. She realized that defending herself or counterattacking would only add fuel to the fire and would not bring her any closer to clinching the deal. So she simply heard the network chairman out. After he finished and left the room, Janet excused herself for a minute, ostensibly to make a phone call but actually to recover her mental balance.

When she returned, the network negotiator looked up and asked, “Now, shall we pick up our conversation where *we* left off?” He was saying, in other words, “Discount what the chairman said. He was just blowing off steam. Let’s get back to business.” If Janet had reacted, the negotiation would have gone way off course. Because she had gone to the balcony instead, she was able to proceed smoothly to conclude the deal.

You ought to go to the balcony before the negotiation even begins—in order to prepare. And you should go to the balcony at every possible opportunity throughout the negotiation. At all times, you will be tempted to react impulsively to your opponent's difficult behavior. But at all times, you need to keep your eyes on the prize.

The prize is an agreement that satisfies your interests, certainly better than your BATNA could. It must also meet the other person's interests acceptably. Once you have an idea of what the prize looks like, your challenge is to stay focused on obtaining it. This is not easy. When you feel angry and defensive, you feel like striking out. When you're frustrated and fearful, you feel like walking away. How can you suspend your natural reactions?

## **Name the Game**

Often you don't even realize you are reacting, because you are too enmeshed in the situation. The first task, therefore, is to recognize the tactic. In ancient mythology, calling an evil spirit by its name enabled you to ward it off. So, too, with unfair tactics—identify them and you break the spell they cast.

## **Three Kinds of Tactics**

There are dozens of tactics, but they can be grouped into three general categories, depending on whether they are obstructive, offensive, or deceptive:

**Stone walls.** A stone-wall tactic is a refusal to budge. The other side may try to convince you that they have no flexibility and that there is no choice other than their position. Stone walls can take the form of a *fait accompli*: “What’s done is done. It can’t be changed.” Or a resort to company policy: “I can’t do anything about it. It’s company policy.” Or a reference to a previous commitment: “I told the membership that I would resign as union negotiator before I would accept less than an eight percent raise.” The other side may engage in endless foot-dragging and delay: “We’ll get back to you.” Or they may issue a final declaration: “You can take it or leave it!” Any other suggestion on your part is met with a no.

**Attacks.** Attacks are pressure tactics designed to intimidate you and make you feel so uncomfortable that you ultimately give in to the other side’s demands. Perhaps the most common form of attack is to threaten you with dire consequences unless you accept their position: “Do it or else!” Your opponents may also attack your proposal (“Your figures are way out of line!”), your credibility (“You haven’t been in this job long, have you?”), or your status and authority (“We want to talk to the *real* decision maker!”). Attackers will insult, badger, and bully until they get their way.

**Tricks.** Tricks are tactics that dupe you into giving in. They take advantage of the fact that you assume your counterpart is acting in good faith and is telling the truth. One kind of trick is manipulating the data—using false, phony, or confusing figures. Another is the “no authority” ploy, in which the other side misleads you into believing they

have the authority to decide the issue, only to inform you after you have given up as much as you can that in fact someone else must decide. A third trick is the “add on,” the last-minute additional demand that comes after your opponent has led you to believe you have already reached agreement.

## **Recognize the Tactic**

The key to neutralizing a tactic’s effect on you is to recognize it. If you recognize the other side’s tactic as a stone wall, you are less likely to believe that they are inflexible. If you recognize an attack, you are less likely to fall prey to fear and discomfort. If you recognize a trick, you will not be taken in by the deception.

Consider an example. Mr. and Mrs. Albin had just sold their house—or at least that is what they thought they had done as they packed up all their belongings and prepared to move. Then the buyer, Mr. Maloney, demanded that the closing be postponed four months because he could not sell his own house. He refused to compensate the Albins for the delay. They in turn told him they would have to look for another buyer. Mr. Maloney responded, “You know, you’re lucky you’re dealing with someone like me. Other people I know would sue to prevent you from selling to anyone else. Your property could be tied up in court for years! But since we’re practically friends by now, I’m sure we can avoid all that.”

When Mr. Maloney left, Mr. Albin let out a sigh of relief and told his wife: “Thank God he’s not going to sue. We would have been stuck in this place for years. Maybe we should accommodate him a little.” Whereupon Mrs. Albin replied, “Honey, you’ve just been threatened in a

nice way, and you don't even realize it. He is the type who'd sue, and we need to deal with him accordingly." Mr. Albin reacted to Mr. Maloney's tactic with fear—just as Mr. Maloney intended. In contrast, Mrs. Albin controlled her reaction by naming the game.

Many ploys depend on your not knowing what is being done to you. Suppose your customer tells you that he loves the deal but that his partner won't let him sign the contract without substantial changes. If you don't realize that he is using his partner as a "bad guy," you may agree innocently to the changes. Recognizing the tactic, however, puts you on your guard.

The hardest tactics to recognize are lies. You need to watch for *mismatch*—between their words, on the one hand, and their previous words or actions, facial expressions, body language, and tone of voice, on the other. Whereas liars can manipulate words, they cannot easily control the anxiety that raises their voice pitch. Nor can they control the symmetry of their facial expressions; a liar's smile, for instance, may become crooked. Bear in mind that anxiety can stem from other causes and that one clue alone is unreliable. You need to look for multiple clues.

Watching out for tactics means being alert, not overly suspicious. Sometimes you may have misunderstood the other person's behavior. One of the most celebrated political images in modern times is that of Soviet Premier Nikita Khrushchev pounding his shoe on the podium while delivering a speech at the United Nations in 1960. Everyone interpreted his histrionics as a tactic aimed at intimidating the West; a man who would pound his shoe one moment might use his nuclear weapons the next! Thirty years later, Khrushchev's son Sergei explained his father had had something far different in mind. Khrushchev, who had rarely been outside the Soviet Union, had heard that peo-

ple in the West loved passionate political debate. So he gave his audience what he thought they wanted—he pounded his shoe to make his point. When people were shocked, no one was more surprised than Khrushchev himself. He had just been trying to look like one of the guys. What became the very image of the irrational Russian was apparently the result of a simple cross-cultural misunderstanding.

So put on your radar, not your armor. Make a mental note when you detect a possible trick or subtle attack. Neutralize it by naming it, and keep it in mind as a possibility, not a certainty. Look for additional evidence, remembering that difficult people rarely limit themselves to a single tactic.

## **Know Your Hot Buttons**

To properly neutralize the effect of the other side's tactic on you, you need to recognize not only what they are doing but also what you're feeling.

The first clue that we are reacting usually comes from our bodies. Our stomachs get tied up in knots. Our hearts start to pound. Our faces flush. Our palms sweat. These are all visceral responses signaling that something is wrong and that we are losing our composure in the negotiation. They are cues that we need to go to the balcony.

Each of us has certain emotional susceptibilities, or “hot buttons.” Some of us react bitterly to even minor criticism, or see red when we think someone is making fun of us. Some of us can't stand to have our ideas rejected. Others of us give in because we feel guilty, or because we are worried people won't like us, or because we don't want to cause a scene.

If you understand what your “hot buttons” are, you

can more easily recognize when your opponent is pushing them. Recognizing them in turn allows you to control your natural reaction. If you hate being called disorganized and you *know* you hate it, you can prepare yourself to deal with it. When someone calls you chaotic, you can simply shrug it off.

We live and work in competitive environments. So expect verbal attacks and don't take them personally. Remember that your accusers are hoping to play on your anger, fear, and guilt. They may want you to lose control of your emotions so that you cannot negotiate effectively. As children we learned when a playmate insulted us to say: "Sticks and stones may break my bones, but words will never hurt me." It is a simple lesson we would do well to remember as adults.

When you are being attacked, it may help to see your opponent as someone who doesn't know any better. Consider the approach taken by a woman whose boss periodically savaged her in front of her peers: "I was carrying him home in my head, driving myself and my family crazy. . . . But then I decided he wasn't my life. I began to detach myself and say, 'Poor guy, he doesn't know a better way to behave.'" No matter what he did, she wouldn't react: "He saw that he wasn't getting to me and his bullying behavior began to subside."

## **Buy Time to Think**

Once you have named the game and forestalled your immediate reaction, the next step is to buy yourself time to think—time to go to the balcony.

## Pause and Say Nothing

The simplest way to buy time to think in the middle of a tense negotiation is to pause and say nothing. It does you little good to respond when you're feeling angry or frustrated. Your judgment is distorted. This is not simply a psychological fact; it results from actual biochemical changes associated with anger and stress. Even taking a few seconds for these changes to dissipate will allow you to see things more objectively. Hence the wisdom of pausing before you reply. As Thomas Jefferson once put it: "When angry, count ten before you speak; if *very* angry, a hundred."

Pausing will not only give you a chance to step up to the balcony for a few seconds, but it may also help the other side cool down. By saying nothing you give them nothing to push against. Your silence may make them feel a little uncomfortable. The onus of keeping the conversation going shifts back to them. Uncertain about what is going on in your head, they may respond more reasonably. Some of the most effective negotiation is accomplished by saying nothing.

Suppose, however, that your opponent continues to rage. A movie producer, for instance, had a boss who used to blow up over the most trivial matters. The producer told a friend that he felt like punching his boss in the nose. The friend counseled, "Think about it this way. He's not yelling *at* you, he's yelling *for* himself. Next time he shouts at you, this is what you do. You lean back in your chair, fold your arms, and let his screams wash over you. Tell yourself how much good it's doing him to get it out of his system." The movie producer reported later that the plan worked wonders.

The same approach has been used to head off the ver-

bal battles that so often erupt in labor-management negotiations. In one case, both sides adopted a ground rule that “only one person can get angry at a time.” The other side was obliged not to react; to do so would be an admission that they were weak and could not control themselves. The rule helped break the escalating cycle of action and reaction.

You obviously can’t eliminate your feelings, nor do you need to do so. You need only to disconnect the automatic link between emotion and action. Feel the anger, frustration, or fear—even imagine attacking your opponent if you like—but *don’t* channel your feelings and impulses into action. Suspend your impulses; freeze your behavior. While it may feel like hours, it will probably last only a few seconds. This may not be easy when your opponent is shouting or stonewalling, but it is necessary for successful negotiation. Follow the biblical dictum: “Be quick to hear, slow to speak, and slow to act.”

## **Rewind the Tape**

You can pause for only so long. To buy more time to think, try rewinding the tape. Slow down the conversation by playing it back. Tell your counterpart: “Let me just make sure I understand what you’re saying.” Review the discussion up to that point.

Suppose you have just concluded a sale and you are going over the contract with the customer. “I think we have a terrific package here,” he says, “and I’d be willing to go ahead if you will throw in the service contract, you know, gratis. What do you say? Can we call it a deal?” The customer extends his hand.

If you react to the trick and decide yes or no on the

spot, there is a good chance you will make the wrong decision. To give yourself time on the balcony, rewind the tape. Look the customer in the eye and say, "Hold on, Larry. I'm not sure I'm following you. Let's back up for a minute and review how we got here. We started discussing this deal three months ago, back in March, right?"

"I guess so," Larry says.

"At the start I thought you said you wanted to negotiate the service contract separately from the purchase."

"Yes, but I've changed my mind on that."

"Larry, correct me if I'm wrong, but didn't you and I reach final agreement on all the clauses the day before yesterday?"

Whichever way Larry responds at this point, you are on the balcony, no longer reacting to his last-minute demand. You have not fallen for the trick. In fact, you have now caused Larry to shift from being on the offensive to being slightly on the defensive.

Tactics such as Larry's are like magic tricks; they are done so quickly you often don't see the sleight of hand. By rewinding the tape—which interrupts the routine and slows it down—you give yourself time to recognize the trick and neutralize its impact.

If the other side overloads you with information, hoping you will overlook a hidden drawback in their proposal, don't hesitate to say, "You've given me too much information to digest so quickly. Let's back up." Or "I need you to tell me again how the different components of your plan work together. I missed the connections between a couple of them." By asking the other side to give a detailed account, you can more easily spot the flaws in their logic.

An easy way to slow down the negotiation is to take careful notes. Writing down what your counterpart says gives you a good excuse: "I'm sorry, I missed that. Could

you please repeat it?” Keeping a record not only buys you time to think, but also shows that you are taking the other person seriously.

Some people are afraid they will appear stupid if they say “I’m not sure I’m following you.” Ironically, they are the ones most likely to be taken in, because they don’t ask the questions they ought to ask. Successful negotiators learn that appearing a little obtuse can be a negotiating advantage. It allows you to slow down the discussion. You need not pretend to be stupid. Simply ask for some clarification: “I’m afraid I don’t understand why you waited until now to ask for a discount.”

If you can’t think of anything else to say on the spot, you can always resort to the rote phrase, “Let me make sure I understand what you’re saying.”

## **Take a Time-out**

If you need more time to think, you should take a break. Too many negotiations go on and on as each person reacts to the other’s provocations. A time-out gives both sides a chance to cool off and go to the balcony. Negotiations are more productive when they are broken up by frequent time-outs.

You might be afraid that calling for a break will be interpreted as a sign of indecisiveness or weakness, as if you couldn’t take the heat. The solution is to find a natural excuse. Such an excuse may be as simple as “We’ve been talking for some time now. Before continuing, let me suggest a quick coffee break.” Or “That’s a good question. Let me find out and get back to you right away.” It helps to have a ready excuse.

One of the best excuses is to call a caucus with your

negotiating team. You might be worried about looking conspiratorial, but calling a caucus is perfectly legitimate; the other side may have just offered new information or made a new proposal, and you need a chance to discuss it among yourselves. If you are buying a car, tell the high-pressure salesperson, "My wife and I would like a moment to think about the decision. We're going to go for a walk around the block. We'll be back in half an hour." If you are negotiating by yourself, caucus on the phone with a colleague, boss, or friend.

If you can't leave the room, try to take a time-out from the negotiation by temporarily diverting the conversation with a story or joke. One union negotiator keeps snapshots of his fishing trips in his pocket and tosses them on the table when things get tense. All the participants start talking about their own adventures. When negotiations resume, tensions have abated.

Another way to take time out during the negotiation is to bring along a negotiating partner. That way you can spell each other; as one person talks, the other can go to the balcony and keep his eyes on the prize. Police negotiators dealing with a hostage-taker routinely work with a partner who gives them unbiased and realistic feedback on how they're doing, makes sure they don't become reactive, and relieves them when they get tired.

## **Don't Make Important Decisions on the Spot**

In the presence of the other person, you are under strong psychological pressure to agree. One simple rule of thumb will help keep you out of trouble: Never make an important decision on the spot. Go to the balcony and make it there.

If the other side springs a contract on you and demands

an immediate signature, say: "My lawyer insists on checking everything over. You know how lawyers are." Or ask: "You've put a lot of time and thought into this, haven't you?" As they nod agreement, continue, "In that case, I'd like to do it justice by studying it carefully before responding." Fold up the document and put it away, saying: "I'll get back to you tomorrow."

While it is generally better to sleep on a prospective decision, it isn't always possible. If an immediate response is required, tell the other side: "I don't want to slow things down. Let me make a quick phone call to my office, and I'll get right back to you. If you'll excuse me, I'll make that call right now." Even if you have time only to step out into the corridor for a moment, it will help. Once you are away from the table, the psychological pressure eases. It no longer seems so urgent to reach a decision. Having suspended your initial reaction, you can now consider the decision in a more objective fashion—on the balcony.

Don't let yourself be hurried. If the other side sets a deadline, don't hesitate to test it by adjourning the meeting. If they are serious about the deadline, they will let you know. Remember that agreement requires your assent. Your worst enemy is your own quick reaction; only *you* can make the concession you will later regret.

## **Don't Get Mad, Don't Get Even, Get What You Want**

In sum, the most natural thing to do when faced with a difficult person or situation is to react. It is also the biggest mistake you can make.

The first thing you need to do in a negotiation is not to control the other person's behavior but to control your own. Suspend your natural reaction by naming the game. Then buy yourself time to think. Use the time to keep your eyes on the prize—an agreement that satisfies your interests, certainly better than your BATNA can. Instead of getting mad or getting even, concentrate on getting what you want. That is what going to the balcony is all about.