

NEGOTIATION BRIEFINGS



To “get to yes” with others, first negotiate with yourself

In business negotiations, our actions and reactions often go against our best interests. Self-examination can help, writes *Getting to Yes* author William Ury in his new book.

Think about some of the disappointments and stressful moments you’ve faced in your negotiations. Maybe you have walked out of discussions with your romantic partner because you felt too upset to continue talking—a choice that only ratcheted up the tense atmosphere. Perhaps you’ve failed to speak up for your needs in the face of your boss’s demands, only to feel your job dissatisfaction growing. In dealings with outside parties, anger or impatience may have led you to make concessions you later regretted.

We all have negotiation memories that make us wince. In his new book *Getting to Yes with Yourself (and Other Worthy Opponents)* (HarperOne, 2015), Harvard Negotiation Project cofounder William Ury writes that our biggest obstacle in any given negotiation usually isn’t a difficult partner, bad timing, or a lack of power. Rather, it is ourselves. “We sabotage ourselves by reacting in ways that do not serve our true interests,” Ury writes. Virtually all of us have destructive patterns that we fall back on in negotiation, such as losing our temper, withdrawing instead of communicating, or saying yes when we need to set limits.

In 1981, Ury and Roger Fisher published the first edition of the seminal book on mutual-gains negotiation, *Getting to Yes: Negotiating Agreement Without Giving In* (Penguin, 1991). The book has taught millions the benefits of replacing a win-lose mentality with a win-win approach,

including more-creative agreements and stronger relationships. Yet having seen many negotiators continue to “get in their own way,” Ury saw the need for a “prequel”: a book that would help negotiators better understand themselves.

In *Getting to Yes with Yourself*, Ury presents six steps we can follow to recognize and overcome the blind spots that may be holding us back in negotiation; we outline the first three here.

1. Put yourself in your shoes.

Experienced negotiators understand the importance of taking the other party’s perspective. By imagining how we would act and react in someone else’s position, we get a step closer to empathizing with and influencing the other party.

Unfortunately, writes Ury, our focus on our own problems and concerns often prevents us from putting ourselves in our counterpart’s shoes. He advises negotiators to “put yourself in your own shoes first”—that is, to listen to yourself first, identify your deepest needs, and think about how they can be met.

Ury describes Abílio Diniz, a prominent Brazilian businessman who recently was locked in a dispute with his French business partner over control of Brazil’s leading supermarket chain, a company that Diniz had founded years ago with his father. Diniz had sold controlling shares of the company to his partner but stayed

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on as chair and a major shareholder. The partnership had soured, leading to two arbitration cases and a lawsuit.

Diniz was furious with his partner, but he “did not know what he really wanted most, to fight or to settle,” Ury concluded. When pressed by Ury to look beyond his concrete demands, such as a particular price for his company stock, Diniz revealed that he wanted his “freedom” more than anything—freedom to spend time with his family, “the most important thing in my life,” and to pursue his other business goals. The realization of this deep need allowed the long-standing dispute to be wrapped up within days. Ury helped to convince Diniz’s partner to release him from a noncompete clause so that he could make other business deals in return for exiting the board and selling his shares in the company.

How can we follow Diniz’s lead and put ourselves in our own shoes? In his book *Getting Past No: Negotiating in Difficult Situations* (Bantam, 1993), Ury describes the value of “going to the balcony”—disengaging during heated moments in our negotiations and viewing them with detachment. By observing the negotiation from the metaphorical balcony, we can gain the distance we need to see the other side’s behavior more clearly and overcome the urge to react destructively.

It’s just as important to view *ourselves* from the balcony, writes Ury in *Getting to Yes with Yourself*. When you feel your anger, fear, or other upsetting emotions rising during a negotiation, try to step back and observe the feelings with a spirit of curiosity and inquiry. You might practice this type of self-observation before negotiating by sitting quietly and attending to your fleeting thoughts and feelings. This mindfulness exercise can bring a state of clarity and calm to your reflections on yourself and your interactions with others. In the process, you can learn to view yourself with less judgment and get closer to identifying your deeper needs, as Diniz did.

2. Develop your “inner BATNA.”

When negotiators find themselves in conflict, they typically blame one another,

according to Ury. Refusing to recognize our own contributions to the problem, we feel the sense of righteous indignation that comes from holding others accountable. Yet viewing ourselves as victims requires us to sacrifice our own sense of power and typically diminishes our outcomes.

We can avoid this destructive spiral by cultivating what Ury refers to as our *inner BATNA*. In *Getting to Yes*, Fisher and Ury pioneered the BATNA concept—the notion that one’s greatest source of power in negotiation is one’s *best alternative to a negotiated agreement*. By enhancing our alternatives outside the current negotiation, we gain the sense of freedom, power, and confidence we need to walk away from an agreement that doesn’t serve our interests.

Even when our BATNA seems weak, we can foster a sense of power in ourselves—and avoid the “blame game”—by creating an *inner BATNA*: “a strong, unconditional commitment to ourselves to take care of our deepest needs, no matter what other people do or don’t do,” writes Ury in *Getting to Yes with Yourself*.

Returning to Abílio Diniz, once he determined that freedom was his central goal, he could ask himself: “Who can give me that freedom? Is it just my opponent? Or can I take responsibility for meeting my own needs?” Diniz committed to meeting his need for freedom independently of the other side. He became chair of the board of another major company, established a new office outside company headquarters, went on a prolonged vacation with his family, and began pursuing other business deals. Because he first freed himself psychologically, resolving the conflict became easier.

“By giving up the blame game and assuming responsibility for your relationships and your needs,” writes Ury, “you can go right to the root of conflict and take the lead in transforming your negotiations and your life.”

3. Reframe your picture.

Negotiators are often advised to look for ways to “expand the pie” of resources before trying to carve it up. Through

creative thinking, for example, two department heads may find ways to jointly increase sales, enabling each to claim a larger share of the budget.

But because of a “mind-set of scarcity,” we tend to believe that the pie of resources is fixed in size. “When people feel there isn’t enough to go around, conflicts

tend to break out,” writes Ury. To move beyond a scarcity mind-set, we need to *reframe* the situation. For example, we can strive to view our negotiations as opportunities for collaboration rather than adversarial contests.

Such shifts often require us to look not only at the specific situation but also at

how we approach life in general. Do we expect things to generally go our way, or do we anticipate roadblocks at every turn?

For those who often feel pessimistic and distrustful, it can be difficult to adopt a more open, optimistic mind-set. Dr. Jill Bolte Taylor, a Harvard neuroanatomist, inadvertently did just that after suffering

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A Q&A with William Ury

Negotiation Briefings: You write that each person will have their own favorite way of “going to the balcony.” What is one of your favorites? What are some you would recommend to others?

William Ury: One of my favorite ways to go to the balcony is to take a walk whenever possible. On a walk, I find I can think more clearly about what is truly important—my core interests and values. I find it helpful not to make important decisions at the table. Make the decision beforehand when you are preparing or, if that’s not practical, ask for a break, even if it is just for a few minutes. Try checking in with a trusted colleague, who can sometimes serve as your “balcony” to help you keep your eyes on the prize.

NB: You and the legendary Roger Fisher collaborated on the seminal negotiation text, *Getting to Yes: Negotiating Agreement without Giving In*. Did you learn anything from Professor Fisher about the value of “getting to yes with yourself” before he passed away in 2012?

WU: It was a real privilege to learn from Roger. He always stressed looking for the present opportunity for constructive action: “*Who can do what today to move the conflict toward resolution?*” was the question he always liked to ask. Roger knew that, as interesting and informative as the past might be, the power to transform a conflict lay in the present moment. We cannot change the past, but we can change the future. But how can we let go of lingering resentment of the past and constant worry about the future? Those are questions I take up in this new book.

NB: In *Getting to Yes with Yourself*, you describe the health challenges of your 16-year-old daughter, Gabi, who has had 14 major surgeries to address congenital physical anomalies. Near the end of the book, you tell the moving story of how Gabi broke a Guinness World Record while also raising money for the children’s hospital that had helped her over the years. What do you think is the greatest lesson that negotiators can learn from Gabi?

WU: Sometimes the biggest lessons we learn come from those closest to us. I have learned a lot over the years from watching my daughter handle adversity. She has every reason to see life as unfriendly and to blame life and others for her problems, but she chose a different path. She doesn’t see herself as a victim, but rather demonstrates the human capacity to reframe the picture—to see life as an ally and thus to see others as potential partners rather than as enemies. That is a big lesson for negotiators: Never underestimate your capacity to *reframe* situations that seem adversarial as opportunities for possible cooperation.

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a debilitating stroke at age 37. Taylor's memory and many basic life skills, including the ability to walk and talk, were wiped away by the stroke—but so were the stress and anxieties of life.

Interestingly, the stroke damaged the left side of Taylor's brain, the side responsible for logical reasoning and critical thinking. Cut off from the chatter of her left brain, and thinking primarily with her

right brain—the side that focuses on connection, expression, and creativity—Taylor felt a euphoric sense of calm and peacefulness, she explained during a TED talk. Her desire to teach others about the happiness and peace she had found when disconnected from her left brain motivated her through her eight years of recovery from the stroke. She now encourages people to find greater fulfillment by engaging the right side of the brain through creative and physical

activities, such as playing an instrument, making art, or running.

If you've ever taken a walk to clear your head in the midst of a tense negotiation, then you have already experienced how engaging the right brain can bring new energy and creativity to the table. When we make time to restore our spirits, we create and strengthen important neural pathways and improve our ability to reframe and connect. ■



6 steps to getting to yes with yourself

In this article, we outlined Ury's first three steps for negotiating agreement with ourselves. Here is the full set of six steps he describes in *Getting to Yes with Yourself*:

- 1. Put yourself in your shoes.** Seek better self-understanding by listening empathetically to your underlying needs.
- 2. Develop your inner BATNA.** Sidestep the "blame game" by committing yourself to taking care of your own needs.
- 3. Reframe your picture.** To avoid bringing a scarcity mind-set to negotiation, foster independent sources of contentment.
- 4. Stay in the zone.** Learn techniques to help you stay in the moment and keep anxiety from getting the best of you.
- 5. Respect them "even if."** Break the cycle of attacking and rejecting by surprising your counterpart with respect and inclusion.
- 6. Give and receive.** To improve your satisfaction *and* your results, practice giving first instead of taking.

FOR BETTER BUSINESS NEGOTIATIONS, TAKE THE LONG VIEW

Prevent "short-termism" from harming your organization down the road.

In August 2012, Michael Dell, the founder and CEO of computer company Dell, embarked on the long, winding odyssey of taking the company private. At the time, Dell was struggling to maintain a foothold in the market for personal computers amid the rise of tablets and other handheld devices. Michael Dell maintained that to ensure a strong future for his company, he needed to remove it from the pressures of generating short-term earnings for public investors.

Dell's 25-year run as a publicly traded company ended on October 30, 2013. Speaking at the University of Texas in March 2014, Michael Dell said that taking his company private has allowed it to make the significant investments needed to meet

clients' demand for new software and data services while also dramatically simplifying decision making within the company.

The fact that companies such as Dell believe they have to go private to innovate for the long term is symptomatic of a larger trend toward short-term thinking, or "short-termism," in the corporate world. Fearful that failing to meet earnings expectations could trigger a decline in their company's stock price that would lead to lawsuits and management upheaval by activist hedge funds, executives end up making myopic decisions.

It's not just public corporations that are affected by short-termism. Because of common cognitive biases and organizational pressures, all of us who

negotiate on behalf of our organizations are susceptible to focusing so narrowly on immediate concerns that we create larger problems to be dealt with in the future.

The widespread tendency to *discount the future*—to give more weight to our immediate desires than to future gains when making decisions—can contribute to destructive short-term thinking. The 2008 crash of the U.S. housing market, for example, came about when lenders and borrowers became so focused on immediate benefits—low-interest, adjustable-rate mortgages that could be bundled and sold—that they failed to consider what would happen when temporarily low interest rates rose and

homeowners could no longer make their mortgage payments.

Three strategies can help us think and act more broadly in our negotiations.

1. Make long-term concerns more salient.

Negotiators may recognize in theory that they are the stewards of their organization's future, but pressures to maximize short-term earnings can cause long-term concerns to fall by the wayside. The fact that we tend to be overconfident about how the future will unfold also stands in the way of bold action to head off potential crises.

When preparing for negotiation, it's important to take time to analyze how the issues at stake could play out over time, advises Duke University professor Kimberly A. Wade-Benzoni. We need to remember to think not only about how we ourselves will be affected by a deal but also about the social, environmental, and financial implications for our company and society at large over time.

Here's a list of questions that Harvard Business School professor Max H. Bazerman advises you to ask yourself to bring these long-term issues to mind on the brink of important talks:

- Other than the parties at the table, who would be affected by any agreement we reach?
- How will these parties likely be affected and to what degree?
- Are there any steps we can take now to remedy any potential negative impact of our agreement?

Once you're seated at the negotiating table, be sure to discuss the likely long-term impact of the proposals you're considering. Because the future can be hard to predict, you may need to consult experts to help you reach educated estimates. It can also be useful to make a decision tree to graph the possible results of various options.

2. Create structural solutions.

Organizations may be able to "nudge" employees toward more farsighted

decisions in their negotiations and other realms. In their book *Nudge: Improving Decisions about Health, Wealth, and Happiness* (Yale University Press, 2008), Richard Thaler and Cass Sunstein describe how, through a concept called *choice architecture*, organizations can steer people toward better decisions by making subtle adjustments in how information and choices are presented to them. To take one example, Thaler and University of California, Los Angeles professor Shlomo Benartzi created a retirement program called "Save More Tomorrow" that capitalizes on the human tendency to be more open to making responsible long-term choices when the changes will be enacted at a later date rather than in the present. Under the program, workers can commit in advance to increase their contributions to their retirement funds whenever they receive a raise. Save More Tomorrow greatly increases the savings rates of those who sign up. The time lag promotes more rational decision making, and employee inertia keeps them from canceling their higher contributions after they begin.

Through choice architecture, organizations can steer people toward better decisions.

Individuals can also make structural changes to nudge themselves toward more future-focused decisions. Consider that investors often focus so closely on the short-term performance of the stocks they hold that they trade far too actively. "The high rate of trading in the stock market has long been a mystery for economists," write Max H. Bazerman and Don Moore in their book *Judgment in Managerial Decision Making* (Wiley, 2013). Short-term trades are typically irrational: Professor Terrance Odean of the University of California, Berkeley has found that, because of investors' tendency to sell "winning" stocks (those that are selling above the price at which they were purchased) and hold "losing" stocks (those that are selling below the price at which they were purchased), the so-called winning stocks that investors

sell end up outperforming the losers that they keep. Because investors would be better off following a buy-and-hold strategy, a simple structural change could be an important step toward better long-term financial decision making: removing their stock portfolios from their smartphones so they won't be tempted to make frequent trades.

3. Promote long-term negotiating.

The way negotiations in particular are structured within many organizations can create perverse incentives and foster short-term decision making, write Danny Ertel and Mark Gordon in their book *The Point of the Deal: How to Negotiate When Yes Is Not Enough* (Harvard Business Review Press, 2007).

In many companies, salespeople are financially rewarded based on booked sales, an incentive that leads them to view the deal closing as their ultimate goal—and not to give the implementation stage a second thought. Energy-trading company Enron, which went bankrupt in 2001, had a practice of giving its salespeople huge bonuses for closing deals. Rebecca Mark, the CEO of Enron International at the time, earned millions in bonuses upon closing a troubled and ill-conceived deal to build the Dabhol Power Station in India, a project that collapsed as Enron's financial mismanagement and fraud was exposed.

When those who negotiate aren't invested in a deal's long-term success, they are unlikely to prepare for problems that could arise in the future. This helps to explain why so many agreements between companies, including strategic alliances, fail during the implementation stage.

To address this disconnect between deal making and implementation, organizations should involve those who will be implementing the agreement in the initial negotiation. In addition, instead of rewarding negotiators for closing a deal, managers should tie negotiators' bonuses to progress in the early years of implementation. Finally, negotiators should be held accountable for explaining how their proposed contracts advance the organization's long-term goals. ■

THE GERMAN CHANCELLOR SEIZES THE DAY, WITH HESITATION

Business negotiators have much to learn from Angela Merkel's cautious approach.

Some negotiators make a strong impression through bold opening statements and mesmerizing presentations. Others sit back, closely observing their counterparts and gathering information before making any decisive moves.

German chancellor Angela Merkel is the latter type: quiet, watchful, and slow to act. Her style springs from many factors, writes George Packer in a profile of Merkel in *The New Yorker*: her upbringing in East Germany, her training as a scientist, her position as a woman in a male-dominated realm, and her naturally cautious and patient personality. Merkel has described standing on a diving board for the full duration of an hour-long swimming class as a child, only jumping when a bell signaled the end of the class.

“With a certain hesitation, she seized the day,” German film director Volker Schlöndorff slyly told the *New Yorker*, speaking of Merkel’s entry into politics after the collapse of Communism in East Germany. Merkel’s rise to become arguably the most powerful woman in the world is often described as being almost beyond comprehension given her reticence and lack of flash. But, in fact, it is these very qualities that contributed to Merkel’s success as a leader and a negotiator, as Packer’s article reveals.

An outside perspective

Among German leaders, Merkel is considered a “triple anomaly,” writes Packer: She is a woman, a scientist, and an East German. These characteristics combined to make Merkel an outsider in German politics.

In 1991, Merkel told the photographer Herlinde Koelbl that she never felt truly at home in East Germany because of her “relatively sunny spirit” and optimistic outlook. That outsider status carried over into her early forays into politics after the fall of the Berlin Wall.

Many Germans have criticized Merkel for failing to rebel against the Communist system of her youth—and for choosing

to take her regular sauna instead of joining the throngs the night the Berlin Wall opened in November 1989, when she was 35. But as the two Germanys were integrated, Merkel soon began volunteering for a new democratic political group, Democratic Awakening, making herself useful behind the scenes.

Merkel has never explained her decision to trade her career as a chemist for a life in politics, but her industriousness and efficiency soon earned her a position in Chancellor Helmut Kohl’s cabinet. Kohl and other members of the West German old boys’ network openly belittled her, but Merkel advanced thanks to her particularly East German traits: “self-discipline, strength of will, and silence,” writes Packer.

Joining the established Christian Democratic Union (CDU), Merkel was again an outsider, “strange to everything in the Party,” according to German journalist Karl Feldmeyer, including its stances on social issues such as immigration and gay marriage. Instead of bonding with her compatriots on hot-button issues, Merkel was driven by an abiding belief in freedom and “her perfect instinct for power,” says Feldmeyer.

In reaction to Kohl’s “smug bullying,” Merkel and her closest adviser, a woman named Beate Baumann, “played hardball but relished their victories privately,” writes Packer. Merkel shocked Germany by turning on Kohl publicly after he was implicated in a campaign-finance scandal; she soon replaced him as chair of the CDU. Fortunate to “live in a period when macho was in decline,” as journalist Bernd Ulrich told Packer, Merkel beat another male politician who disparaged and underestimated her, Gerhard Schröder, to become chancellor in 2005.

To view their interactions more rationally, negotiators are often advised to ask outsiders for their perspective or to actively cultivate an outsider’s view. Through twists of fate, Merkel time and again found herself as an outsider, a position that enabled her to carefully

assess her counterparts; identify their weaknesses; and, in competitive situations, advance her own interests.

A keen observer

Merkel’s comfort in the role of outsider has positioned her to capitalize on another key negotiation skill: the ability to learn through observation. This trait was also fostered by her background in East Germany, where those who spoke their minds were brutally punished. Rainer Eppelmann, a dissident East German clergyman, characterized Merkel to Packer as one of the many “whisperers” who lived under Communism—someone who never said what she thought, felt, or feared because of the inherent dangers of doing so.

This sense of caution served Merkel and other “whisperers” well after the two Germanys merged, according to Eppelmann, leading them “to think things over before speaking.” Comparing Merkel to a chess player, Eppelmann said he had the impression that Merkel “is always a few moves ahead of her competitor.”

Caution also fostered Merkel’s keen listening skills. One longtime political associate told Packer that Merkel typically speaks 20% to her counterparts’ 80% in conversations. Such characterizations suggest that Merkel understands intuitively what other negotiators learn through practice: By listening actively to our counterparts—that is, absorbing what they have to say without interruption, asking questions aimed at clarifying our understanding, and repeating what we’ve heard without judgment—we gain a fuller knowledge of their interests and build trust.

Listening to understand

Perhaps in no other relationship has Merkel’s talent for listening and observing been more on display than in her dealings with Russian president Vladimir Putin. The two have a shared history in East Germany—Putin was a KGB operative there during the Cold War—and switch easily between German and Russian during their weekly phone calls.



Merkel “has a way of talking to [Putin] that nobody [else] has,” one senior official in her government told Packer. “Above all, she tries to understand how he thinks,” writes Packer.

But Merkel is also blunt with Putin, pushing him hard when she believes he has overstepped and suggesting ways for him to save face and make a graceful retreat.

Merkel may have built up a keen understanding of Putin, but even she was caught off guard by the Russian invasion of Crimea. “The swiftness, the brutality, the coldheartedness” of Putin’s surprise move shocked Merkel, one of her aides told the *New Yorker*. After speaking with Putin following the invasion, she famously told U.S. president Barack Obama that the Russian president was living “in another world.”

Given her close ties to Putin, Merkel characteristically has taken the lead in attempting to bring him back down to earth and negotiate a peaceful resolution to the crisis in Ukraine. Last May, after Putin reneged on promises he made to her regarding the Russian public position on a referendum by Ukrainian separatists, Merkel showed her pique by canceling their phone call for the following week. “The Russians were stunned,” a senior German official told Packer. Such moves bother Putin, who “doesn’t like to be left out,” according to the official. Aware that Putin (unlike herself) was uncomfortable in the role of outsider, Merkel understood that isolation could serve as both punishment and motivator in her negotiations with him.

A scientific mind

While working as a quantum chemist in East Germany for a decade, Merkel learned to methodically make sense of

complex quantities “and then, even after making a decision, letting it sit for a while before acting,” writes Packer.

Though Merkel reportedly has a temper, she also has a scientist’s penchant for keeping her emotions under wraps and viewing problems as rationally as possible. “She is like a computer,” one of her political associates told the *New Yorker*.

This analytical training has served Merkel well as a lead negotiator on the crisis in Ukraine, to which she devotes two or three hours daily. She has had to maintain her coalition in the Bundestag, Germany’s legislative body; negotiate unity on the issue among 27 European leaders while working within their constraints; and keep lines of communication open with Putin.

Merkel has failed to make significant headway with Putin but has kept up the pressure. In early 2015, she warned Putin that the European Union would not lift its economic sanctions against Russia unless Moscow makes progress on all points of the Minsk accord, a negotiated agreement that stipulates where Russia and Ukraine can each maintain control under the observation of European monitors.

Treating the Ukraine crisis as a practical problem to be solved, Merkel has urged Obama and hawkish members of the U.S. Congress to be patient. Refusing to

threaten Putin militarily, she is waiting for him to “self-destruct,” Packer writes—the same strategy she used with Helmut Kohl and other adversaries from her past. If history is a guide, Putin would be wise to recognize the value of working with Merkel rather than against her.

Putting it all together

Merkel’s personality, intelligence, and history combined to help her cultivate skills that can be particularly useful in political negotiations and leadership. Though we all have unique strengths and experiences that we can draw on in negotiation, we would also likely benefit from absorbing these keys to Merkel’s success:

- **Err on the side of caution.** Because impulsivity can be dangerous in negotiation, think before you decide.
- **Take an outsider’s view.** A certain detachment can help you better understand others and anticipate threats.
- **Listen to learn.** Contrary to conventional wisdom, listening and observing can ultimately be more rewarding in negotiation than blatant persuasion tactics.
- **Cultivate analytical skills.** Methodically strive to replace intuition with rational analysis in your most important negotiations. ■

Defusing power plays

In 2007, Angela Merkel and Vladimir Putin were ensconced in negotiations at Putin’s residence in Sochi, Russia, over energy supplies. During one meeting, in the presence of journalists, Putin allowed his black Labrador to approach and sniff Merkel, who has been afraid of dogs since being bitten by one. Merkel froze, clearly uncomfortable. Putin watched, refusing to call off the animal, clearly relishing the moment, as George Packer describes in the *New Yorker*.

The German reporters in the room were enraged on their chancellor’s behalf. But afterward, Merkel was able to appraise the incident coolly and even drew on her hard-won understanding of his psyche to put Putin in his place. “I understand why he has to do this—to prove he’s a man,” she told reporters. “He’s afraid of his own weakness. Russia has nothing, no successful politics or economy. All they have is this.”

In negotiation, it can be tempting to react emotionally to a counterpart’s power plays and dirty tricks. But when we do so, we give the other party the upper hand. If you have taken the time to carefully observe the other side’s strengths and weaknesses, you will be well positioned to deliver a more rational response that shows you won’t be manipulated by cheap tactics.

Q: During a complicated renegotiation, my company was unable to come to agreement with a longtime supplier regarding potential discounts (a key issue for my company) and order size (something the supplier prefers to change). We agreed to take a break and renegotiate at the end of this month. We also agreed that if we couldn't reach agreement, our contract would stay the same as last year—an outcome we both want to avoid. We had hoped that this structure would motivate us to come to a reasonable compromise, yet here we are, days from the deadline, with no solution in sight. What went wrong?

A: Imagine you've just returned from your annual physical, and it didn't go well. Your doctor told you that you're overweight and are likely to have health problems if you don't drastically change your diet and exercise routines. She sets a hard deadline for you to meet these goals by scheduling a follow-up appointment with a specialist in six months, explaining that you can avoid the need for the consultation by changing your habits in meaningful ways. Despite these incentives, you quickly find yourself cheating on your diet, and you end up having to see the specialist as a result.

Does this story help you begin to understand the psychology of the situation you described? Many research studies show that goals motivate people: Specific, difficult goals make people strive harder to accomplish what they set out to do. People who set goals for themselves consistently perform better and more effectively on tasks (particularly on onerous ones) than people who set no goals. These specific, difficult goals are intended to motivate us to do things that we do not like to do, whether it's exercising and eating more vegetables or renegotiating with a counterpart who does not share our views.

But goals are not always beneficial. When people violate their goals (for example, by cheating on a diet), they experience further delays in task completion and tend to perform poorly, research has found.

Seemingly impossible goals and failure to reach them cause us to experience negative emotions and resignation.

Assuming that your company and your supplier actually want to come to agreement, it seems likely that your negotiated deadline was demotivating rather than motivating. Knowing that avoiding the old contract was going to require a lot of work may have led to resignation rather than high motivation.

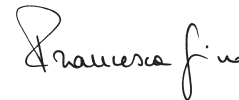
It's also important to consider how time affects problem solving. Each party may have felt that the additional time provided the opportunity to convince the other side to see the issues her way. This, of course, is a problematic assumption. Research by my Harvard colleagues Mike Norton and Todd Rogers shows that people have an overly optimistic view of the future regarding their wants and preferences. In a 2011 study, they asked respondents to indicate their political orientation and then predict whether the U.S. electorate would be more conservative, more moderate, or more liberal in 20 years.

As compared to the other two groups, conservatives were more likely to believe that the future will be more conservative, moderates tended to think the future will be more moderate, and liberals were more likely to believe that the future will be more liberal. Clearly, not all of them can be right.

Similarly, I've found in my own research that when we experience disagreements or

conflict in negotiation and decide to meet at a later time to talk further, we believe that the additional time will help the other party realize that our perspective is the right one. Because both parties share this belief, the additional time turns out to be unhelpful in reaching a compromise or any other form of agreement.

Thus, your situation may have been a reflection of both sides believing that time would magically solve any disagreements. Wishful thinking, unfortunately, is often a good predictor of failure. Better to stay at the table (with short breathers as necessary) and look for other ways to move forward.



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