

Why threats are not your best bet in negotiation

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Donald G. Gifford, in his book *Legal Negotiation: Theory and Applications*, describes a threat as "a conditional commitment by a negotiator to act in a way that appears detrimental to the other party unless the other party complies with the request."

The person who threatens thus attempts to induce concession from the other party. A threat puts the burden of proper action or behaviour on the person being threatened. The other person becomes the master of his own fate. A threat may be explicit or implicit.

Its purpose remains the same - to get something from the other person which he/she will not otherwise give. However, threats are over-utilised but often under rewarded tactics in negotiation.

The downsides

Threats are under rewarded tactics, first because people may not have a fair idea of their counterpart's strength. Or, the threat is being issued without an appropriate alternative. Second, the person experiencing the threat will often look for an opportunity to retaliate - and in subtle ways.



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Third, a threat may result in a one-time win but may spoil the relationship for future transactions/business. "Restoring a relationship after a threat may be like putting Humpty Dumpty back together after his fall," observed Karrass on *Negotiation Space*. Fourth, threats have a way of getting out of control. Threats may push a person to the wall.

If as a negotiator you still feel the need to use threats, despite knowing its downsides, use it without anger. A research study published in the

Journal of Applied Psychology finds that anger isn't as effective as a simple threat in getting people to concede. Digging deeper into the results, the research revealed that "threats were more effective than anger because threatening negotiators were perceived as more poised whereas anger was seen as heated and emotional, threats were seen as more intentional and credible. The threatening negotiator who shows poise and control is far more likely to follow through."

You also need to assess your own credibility as well as the credibility of the threat itself.

Assessing credibility

Your credibility depends upon your reputation of not bluffing, your history of using threats and your own personality.

If you have a reputation for staying true to your word or for sticking to your principles, your threat may sound credible.

Among other strategies to make your threats credible, Deepak Malhotra, professor at Harvard Business School, suggests increasing the costs of not following through. For example, before the management threatens to move the production facilities to other location if the union doesn't withdraw its strike, it

actually ships a part of the plant to another existing plant location involving a transportation cost. The seriousness of the threat is now more visible to the union. In order to make your threats credible let your opponent know your BATNA (best alternative to a negotiated agreement). Once your opponent realises that you have other options, your threat sounds credible.

However, the way you frame your threat can impact the outcome. Consider a scenario: you go to your boss and tell him that unless your salary is matched with the other offer that you have, you will quit your job versus going to your boss and saying that you would love to stay with the company but considering the other offer that you have it would be quite fair if your salary is matched with the offer.

The best option for a person who receives a threat is to stay calm. "Much of your opponent's power lies in his capability to make you react. Just as it takes two to tango, it takes two to tangle," says William Ury in *Getting Past No*. Besides keeping your calm, assess the credibility of the threat, assess your options, and remain focused on your interest.

Let us remind you of the advice offered by Paulo Coelho: "There are two kinds of idiots - those who don't take action because they have received a threat, and those who think they are taking action because they have issued a threat."

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