

# Carringbush



The art of negotiation - from an internal audit perspective

Extract - Dealing with difficult people

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# We are all negotiators

- Like it or not we are all negotiators.
- We all negotiate every day
  - Much of our time is spent trying to reach agreement with others
    - At work:
      - ‘clients’ / customers – actual or prospective
      - suppliers
      - staff
      - management
      - other departments
    - At home:
      - spouse
      - kids
      - ‘others’
    - At ‘play’:
      - friends
      - restaurants
      - strangers
- Everyone negotiates something every day
- Most of us don’t like doing it
  - adversarial



# Dealing with difficult people - 1. Don't react

*“Speak when you are angry and  
you will make the best speech  
you will ever regret”*

- Ambrose Bierce



# Dealing with difficult people

- Some options?



# The 'FBI proverb' applies here as well



- **10% of people are honest all the time**
- **10% of people are dishonest all the time**
- **80% - it depends on the circumstances**



# Three natural reactions

## 1. Striking Back

- Occurs when a person is attacked and attacks back
  - Rarely advances your immediate interests and usually damages your long-term relationships
    - Even if you do win the battle, you may (will?) lose the war

## 2. Giving In

- Opposite of striking back; you may be so uncomfortable that you just want out of the situation
  - Usually results in an unsatisfactory outcome
    - You feel 'had'
    - Rewards bad behaviour
    - Gives you a reputation as an easy mark

## 3. Breaking Off

- Ending all ties with the other party
  - Costs - \$ and emotional can be high



# The dangers of reacting

- In reacting we lose sight of our interests
- Often the other side is trying to make you react
  - First casualty = your objectivity – the faculty you need the most to negotiate effectively
  - They are trying to throw you off balance and prevent you from thinking straight
  - Much of their power derives from the ability to make you react
- Even if reacting doesn't lead to a gross error on your part, it feeds the unproductive cycle of action and reaction



# Go to the balcony

- 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 keeping your mental equilibrium by distancing yourself emotionally and viewing the situation objectively



# 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 defensive
  1. A **stone wall** is a refusal to budge – your opponent tries to convince you that he has no flexibility, and that there is no choice other than his position”
  2. **Attacks** are pressure tactics designed to intimidate you and make you feel so uncomfortable that you ultimately give in to your opponents’ demands
  3. **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



# Name the game

- Recognize the Tactic
  - Once you recognize the attempt to stone wall, attack or trick you, it will be much easier to avoid giving in to the other party
- Identify Liars
  - You can do this by paying attention to facial expressions, body language and listening to tone of voice
    - Whereas a liar can manipulate his words, he cannot easily control the anxiety that raises the pitch of his voice
- Put on your radar, not your armour



# Know your hot buttons

- It's very important that you know your 'hot buttons'
  - To properly neutralise the effect of your opponents' tactic on you, you need to recognise not only what he is doing but also what you are feeling
- If you understand what your 'hot buttons' are, you can more easily recognise when your opponent is pushing them



# Buy time to think

- Pause and say nothing
  - The simplest way to buy time in the middle of a tense negotiation is to pause and say nothing...your silence may make him feel a little uncomfortable. The onus of keeping the conversation going shifts back to him
- Rewind the tape
  - You can pause only for 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 make sure I understand what you are saying'.  
Review the conversation up to that point
- Take a timeout
  - Divert from topic by using a joke
  - Have a physical time out



# Buy time to think cont'd.

- If your opponent overloads you with information, hoping you will overlook a hidden drawback in his proposal, don't hesitate to say 'you're giving too much information to digest so quickly – give me a little time to review this'
  - This works best when you get the other party to talk his way through it, giving you a chance to think (this is always easier when you're not speaking) and to spot flaws or inconsistencies
- Some people are afraid they will look stupid if they say 'I'm sorry I'm not following you'. Ironically, they are the ones most likely to be taken in, because they don't ask the questions they ought to
  - An easy way to slow down the negotiation is to take careful notes. So say something like this – "I'm sorry, I missed that" and you'll keep it at a pace that suits you
- If you need more time to think, you should take a break.
  - Negotiations are more productive when they are broken up by frequent time outs



# Don't make an important decision on the spot

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



# Get what you want

- The natural human response in a difficult situation is to react
  - It's also the biggest mistake you can make
- Going to the balcony can help you prepare by identifying tactics, liars and knowing your hot buttons in addition to buying yourself time to think, reflect and verify with the other party that you have a good understanding of the situation without making decisions on the spot



# Dealing with difficult people - 2. Don't argue

*"I argue very well.  
Ask any of my  
remaining friends"*  
- Dave Barry



# Don't argue – step to their side

- Just as “going to the balcony” helps you regain your mental balance, “stepping to their side” will help you do the same for the other party
- A common mistake is to try to reason with someone that is not receptive
  - Your words will fall on deaf ears or be misconstrued
  - The other party is convinced they are right and you are wrong and may be unwilling to listen
- It is tempting to ignore the emotion and focus on the problem but this is unlikely to work
  - Negative emotions will emerge in the form of inflexible positions
  - Before you can discuss the problem you need to disarm the person



# Don't argue – step to their side cont'd.

- To disarm your opponent you need to do the opposite of what they expect
  - If they are stonewalling = they expect pressure
  - If they are attacking = they expect you to resist
- Stepping to their side means doing 3 things:
  1. Listen to what they have to say
  2. Acknowledge their point, their feelings and their competence and status
  3. Agree with them whenever you can
- It might be the last thing you feel like doing but
  - Tit-for-tat responses never work
  - 3 minutes of pleasure = 3 months of pain



# Listen actively

- Listening to someone may be the cheapest concession you can make
  - We all feel a deep need to be understood
- Requires patience and self discipline
- Effective negotiators listen far more than they talk
- Give the other side a hearing
  - People get satisfaction from voicing their feelings and resentments
    - Will become less reactive, more rational, more responsive to problem solving negotiation
  - Listen instead of reacting or plotting next step



# Listen actively cont'd.

- Paraphrase and ask for corrections
  - Prove you listened by repeating back what you understood
  - Other side feels they are understood and has the satisfaction of correcting you



# Acknowledge their point

- By letting him tell his side of the story and acknowledge it, you create psychological room for him to accept that there may be another side to the story
- Acknowledging their point will fulfill the need to be recognized.
  - It does not mean you agree with it, but that you recognize it is a valid point among others
- Acknowledge their feelings
  - Disarm them by first letting them know you understand how they feel



# Acknowledge their point cont'd.

- Offer an apology - it is a powerful form of acknowledgement
  - We often overlook the simple power of an apology...what a person most often wants is the recognition that he has been wronged
  - Your apology need not be meek, nor an act of self-blame...even if your opponent is primarily responsible for the mess you are in, apologising for your share
  - Apologise for 'past ills'
    - Even if not your fault!
  - Can set in place a process of reconciliation
    - Especially if both parties participate
- Project confidence – as you acknowledge them
  - Use reasonable expressions
  - Adopt a calm, confident posture and tone



# Agree whenever you can

- It will be hard for the other party to attack someone that agrees with them
- Agree without conceding
  - Focus on issues you already agree
    - It is natural to focus on differences because differences cause the problem. At the outset however, you are usually better off focusing on common ground
  - Look for any opportunity to agree – even if only in humorous way
- Accumulate yeses - a powerful tool to disarm the other side
  - Look for occasions where you can say “yes” without making a concession
  - Can transform an antagonistic argument into a reasoned one
    - Each yes reduces tension
  - Creates atmosphere where they are more likely to say yes to a substantive proposal



# Agree whenever you can cont'd.

- Tune into their wavelength – agreement can also be non verbal
  - Observe and match other party's form in delivering the content and try to match it.
    - Tone of voice, speed, gestures
  - Be aware of other party's culture
    - Helen Deresky and Elizabeth Christopher, International Management: Managing Cultural Diversity, 2<sup>nd</sup> edition, 2011, Pearson Education Australia
      - ISBN: 9781442539679
  - Consider the sensory language they use when responding
    - If they say “*Listen to this,*” respond with “*I hear you.*”



# Acknowledge the person

- By doing these things you are in fact acknowledging them as people. You are also showing them respect
- Acknowledge their authority and competence
  - A person who's ego needs stroking is dependent on the recognition of others.
  - Use a phrase such as “You're the client”
- Build a working relationship
  - Invite them to do something outside of work – coffee, lunch, drinks, etc.
  - Make small talk before the negotiation
  - Other party will give you benefit of doubt
  - Best to start before problems arise



# Express your views - without provoking

- After listening actively it is your turn to act and get your views across
  - Need to do this without making them close their ears
- The secret lies in changing your mindset
  - The standard mindset is either/or
    - Either you are right or your opponent is
  - The alternative mindset is both/and – he can be right in terms of his experience, and you can be right in terms of yours



# Express your views - without provoking

## cont'd.

- Don't say "But," say "Yes...And"
  - But = other party can perceive it as you telling them they are wrong
  - Instead, you should first acknowledge their view with a "yes" and preface your own with an "and"
  - Whatever language you use, the key is to present your views as an addition to, rather than a direct contradiction of, your opponents' point of view
- Make "I" Statements, Not "You" Statements
  - Less likely to provoke other side if you speak about yourself rather than them
  - "You" statements can cause the other party to become defensive
  - The essence of an "I" statement is to describe the impact of the problem on you.
    - You are giving the other person information about the consequence of his behaviour in a form that is hard for them to reject – because it is *your* experience



# Express your views - without provoking

cont'd.

- Stand up for yourself
  - Acknowledgement is more powerful coming from someone perceived of as strong and confident instead of weak
  - Acknowledge the person's views and stand up for your own
- Acknowledge your differences with optimism
  - Express optimism in believing your differences can be resolved
    - Example: "I think we can resolve this"



# What if they won't negotiate fairly?

## - A 'final' checklist

- Deliberate deception
  - Unless you have good reason to trust someone, don't trust them
  - Check facts, assertions, etc.
- Unclear authority
  - Making you think they have power to decide
  - Asking you to concede but claiming they don't have power
  - Before you begin, ask how much authority they have to make the decisions
  - BE CAREFUL = NO WIN?
- Questionable intentions of the other side
  - Make your doubts public
  - Negotiate assurances in the agreement
- Creating purposely stressful situations
  - Acknowledge the stressors and ask for some adjustments
- Personal attacks
  - Recognize it and call it to their attention
- Threats
  - Recognize and call attention to it. Treat as pressure



# Dealing with difficult people

*“I’m sorry you feel that way”*  
- Michael’s favourite response



# Some final thoughts

- “In order to conquer the animal, I have to learn to think like an animal”
  - Carl Spackler (Bill Murray) - Caddyshack
- Effective negotiators listen more than they talk
- EQ > IQ
  - It is not a debate or trial!
- As the French philosopher Blaise Pascal wrote more than three centuries ago:
  - ***“People are more convinced by reasons they discovered for themselves than by those found by others”***



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Matthew  
And  
Matthew

Carringbush



# Never-ending Search for Insight and Direction



And  
Matthew



Carrigoush



# The commercial

- Michael's worst ever 'negotiation'
- Michael's latest 'negotiation'
- Corporate box at SCG on Friday 26 June (Sydney Swans Vs. Richmond) = free customised negotiations (or report writing) training course



# A 'Final' Thought

- The average 8 year old asks 65 questions a day and laughs 114 times
- The average 44 year old asks 6 questions a day and laughs 10 times

**“You can’t always be young but you can always be immature”**

**- Coodabeen Champions**



# Yet Another 'Final' Thought

- Never go to bed angry!
- Stay up and plot your revenge!



# Some final thoughts on negotiations

- “Let us never negotiate out of fear. But let us never fear to negotiate.”
  - John F. Kennedy
- “He who has learned to disagree without being disagreeable has discovered the most valuable secret of a diplomat.”
  - Robert Estabrook
- “A negotiator should observe everything. You must be part Sherlock Holmes, part Sigmund Freud.”
  - Victor Kiam
- “Diplomacy is the art of letting someone else have your way.”
  - Sir David Frost



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