Planning to Play It by Ear

Negotiation is improvisational, demanding quick, informed responses and decisions.
But as jazz musicians know, it takes a lot of practice to make an improvisation work.

BY KATHLEEN L. MCGRINN

S KILLED IMPROVISATIONAL MUSICIANS practice alone and with others for hours every day, year after year—notes, scales, chords, and progressions. After all of this practice comes a performance, and an improvisation begins. For musicians and audiences alike, the results can be exhilarating; countless hours of hard work flow into a piece that none of them has ever heard before and will never hear again.

Like jazz, communication is improvisational. Each time you communicate with another person, you’re playing it by ear. You may have practiced each component of the exchange in other settings, but it’s unlikely you’ve ever put them together just like this, with this same person acting and reacting in quite the same way. Negotiation is a particularly high-stakes form of communication, one that requires the lightning-quick, informed responses and decisions that characterize the best improvisational music.

Skilful improvising in a negotiation occurs at both the micro and macro levels; a solid understanding of both allows you to skillfully guide the improvisation, rather than letting the negotiation evolve haphazardly. At the micro level, you can learn the basic types of information exchange—think of this as learning how to read music and play true, clear notes. You can improve your improvisation skills by learning how to recognize, convey, and seek out three types of information:

- Relational information, which conveys beliefs and feelings about the relationships between parties.
- Substantive information, which concerns facts or perceptions underlying the negotiation.
- Procedural information, which helps you understand, manage, and advance the process of negotiating.

At the macro level, like a composer learning how to combine the nuances of melody, rhythm, and tone, you can work toward creating the most fitting communication pattern for the negotiation overall. In our studies, my colleagues and I have identified six basic forms of interaction: haggling, fighting, working together, opening up, building a relationship, and complex processing. Because each negotiation is unique, created by the parties’ relational, substantive, and procedural acts, we call these six forms improvisations.

Just as each musical improvisation plays on an established melody or a set chord progression, the parties’ communications fall into identifiable patterns. Improvising successfully within a negotiation requires adapting your communication acts to the most advantageous pattern.

Improvising successfully within a negotiation requires adapting your communication acts to the most advantageous pattern.

Learning the notes
Imagine you’re a sales rep negotiating with the procurement manager of a professional services firm. Your company is the only supplier able to meet the firm’s needs by the absolutely set-in-stone deadline. So far, the negotiation seems to be going well—the procurement manager communicated the order’s specs, and you promised your company could fill them. When the discussion turns to price, you give what you believe to be a reasonable quote.

The manager hesitates, then replies, “This is all a matter of trust. How do I know I can trust you?” At first, you think he’s questioning your honesty. Then you decide to treat it as a request for further information. You pull your price list out of your briefcase and set it in front of him. “Take your time looking it over,” you say.

In this story, the parties exchange relational, substantive, and procedural information that builds upon each party’s interpretations and responses to the exchange. Managing a negotiation at the micro level means identifying and directing the multiple meanings information can convey.

The procurement manager’s statement about trust communicates relational information about the level of confidence between the parties. Relational acts can either bring the parties together or divide them. In this case, the fact that the manager is expressing doubts about trust could potentially create a rift.
Playing It by Ear (continued)

But at the same time, the procurement manager is also conveying substantive information regarding his access to price information and experience with this type of order. Substantive acts can be honest or misleading and can be perceived in ways intended and unintended. By attending to the substantive dimension and sidestepping the relational dimension of the manager’s statement, the sales rep helped the negotiation proceed smoothly.

In a negotiation in which the relationship between parties is key, such as a personnel decision, the relational dimension would be more important. But this negotiation, focused as it is on the sale price of a specific tangible resource, is unlikely to benefit from a lengthy discussion of the parties’ relationship. At the same time, the sales rep’s response carried a strong relational message: “Here’s my bottom line; you can trust me.”

The sales representative then created face-saving space for the other party through a procedural act: suggesting that the procurement manager spend some time considering the price list. Procedural acts work as punctuation in a negotiation, creating order and rhythm. The sales rep’s procedural act established the expectation that the manager would make an informed counteroffer.

Improvising effectively at the micro level of a negotiation involves recognizing multiple potential meanings within an information exchange, paying attention to selected information, and responding to it appropriately. The sales rep aced this performance, steering the negotiation toward a mutually beneficial agreement.

**Composing the piece**

At the macro level of a negotiation, the three dimensions of information exchange form the foundation of the larger improvisation. Each of the six improvisations described below involves a specialized set of fundamental guidelines for interaction.

*Haggling*, perhaps the most familiar negotiation improvisation, is a competition over which party gets the best deal. The focus of haggling improvisations is the substance of the negotiation, rather than the relationship between the parties. If you’ve ever negotiated over the price of a car, you’ve haggled.

In haggling improvisations:

- There are few relational acts, and those that occur are typically unreciprocated.

- Substantive acts have a set form: parties exchange positions at the beginning of the negotiation and proceed with a series of offers and counteroffers, with little discussion of underlying priorities.

- Procedurally, if there are multiple issues, they are kept open and linked to allow for “horse trading.”

*Fighting* is another (perhaps too) familiar negotiation improvisation. In these negotiations, the goal is to beat up on the other party, even if it means that you get hurt, too. Parties in labor contract negotiations sometimes carry out fighting improvisations. The focus in fighting is not on the actual issues under negotiation but on the rancor between the parties.

In fighting improvisations:

- Relational acts include numerous separation statements, including explicit threats, which often lead to escalating spirals of negative acts.

- Substantive acts are a series of offers and rejections, with few counteroffers and minimal exchange of critical information. The parties seldom ask questions regarding each other’s priorities or preferences.

- The parties have difficulty reaching process agreements and often get stuck on specific issues.

*Working-together* improvisations are based on cooperative problem solving. Parties conducting internal negotiations within well-run companies are likely to improvise in this manner. If you’ve successfully negotiated a new job assignment after a promotion, you’ve probably used a working-together improvisation. Communication focuses on problems rather than personalities, but relational aspects are given enough attention to create trust and cooperation.

In working-together improvisations:

- Relational acts begin with rapport building. The negotiation is punctuated by positive value statements and group identification.

- Substantive exchange includes supplying pertinent information and raising questions regarding the private information held by the other party. Rather than simply stating information, parties share their underlying reasons and logic.

- The parties explicitly discuss the negotiation process and regularly make suggestions for alternative approaches. Tentative solutions on single or multiple issues are framed as building blocks. The parties confirm their understandings and recap periodically.

*Opening-up* improvisations rely on full, complete honesty. Parties in close relationships, though they may have different interests within a negotiation, are likely to use opening-up improvisations. If you’ve hammered out the child-care schedule with your spouse for a particularly
Playing It by Ear (continued)

busy week, you've probably practiced an opening-up improvisation. Relational, substantive, and procedural acts are all straightforward, since there is little strategic behavior by any party.

In opening-up improvisations:

- Relational acts bring the parties together. The parties make positive value statements throughout the negotiation and typically assume mutual honesty.

- Substantive communication involves straightforward revelation of priorities and preferences across issues, often with little introductory discussion.

- Procedural acts are scarce. The parties go straight to the issues and discuss all of them simultaneously from the onset of the interaction.

Building-a-relationship improvisations focus on social interaction and give little regard to the issues nominally up for negotiation. You've probably been involved in more relationship-building negotiations than you might think. Sometimes, in the course of your career, it's more important to work on improving relations with a subordinate or superior than it is to win a particular negotiation.

In building-a-relationship improvisations:

- Relational acts are central and involve only behaviors that bring parties together. Both parties are likely to emphasize mutual identification.

- Substantive communication is perfunctory, and offers are readily accepted.

- Procedurally, issues are resolved one at a time, with little discussion about possible alternative approaches.

Complex-processing improvisations are multidimensional. Parties move from one pattern to another, progressing in stages through multifaceted relational, substantive, and procedural acts to reach resolution. When your top management team meets for two days to decide the details of an upcoming reorganization, they're likely to improvise in this manner.

In complex-processing improvisations:

- Relational acts introduced early in the negotiation bring the parties together and build rapport. Substantive or procedural difficulties may lead to separation acts that can cause conflicts to spiral. The parties are likely to recognize these spirals and use working-together acts to reduce conflict.

- Substantive acts begin with an initial agreement on the issues under discussion and an exchange of interests and preferences. Because the initial discussion focuses on agreement rather than differentiation, confusion may arise regarding underlying priorities and preferences, leading to probing questions about the issues later on. Communication vacillates between offers, counteroffers, and in-depth discussion of underlying issues.

- These improvisations proceed in distinct stages. At first, they're focused on creating surface-level rapport and mutual understanding. Next, they move to in-depth discussion of the issues at hand, then to explicit problem-solving strategies, and finally either to resolution or impasse.

While certain improvisations are more common in some types of negotiations than others, there is no ideal form. Try to guide your negotiation toward the improvisational pattern that best fits its unique economic and social structure.

Once you're familiar with the different improvisations, you'll be able to recognize the pattern of interaction evolving within a negotiation. After you've identified it, you will be able to strategically communicate relational, substantive, or procedural information to move to a different type of improvisation, if necessary.

Familiarity with the improvisational forms can help you shape your negotiations from the onset. Just as a piece of jazz springs from all the musicians in an ensemble, a negotiation evolves from interactions across the parties. No matter how much you prepare and practice, you can never fully control the process and outcome of your negotiations. But learning how to think about and structure the whole as well as its parts is an important step in mastering the art of negotiation.

In any negotiation, successful improvisation rests on the skills of the players—the negotiators themselves.

Kathleen L. McGinn is a professor in the Negotiations, Organizations, and Markets Group at Harvard Business School. Her research and organizational consulting have concentrated on how social processes affect economic outcomes. She can be reached at negotiation@hbsp.harvard.edu.