CHAPTER
17

Negotiation Styles and Difficult Tactics

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Introduction

Two negotiators facing the same counterpart, the same issues and the same alternatives can behave in strikingly different ways. One opens with an extreme demand, concedes little and treats every exchange as a contest; another opens modestly, shares information freely and puts the relationship first; a third tries to separate the people from the problem and to search for an agreement based on objective criteria. These are differences of **style**, the characteristic way in which a negotiator approaches the process. Style is not merely a matter of personality. It is a strategic choice that shapes how much value is created, how it is divided and what happens to the relationship afterwards.

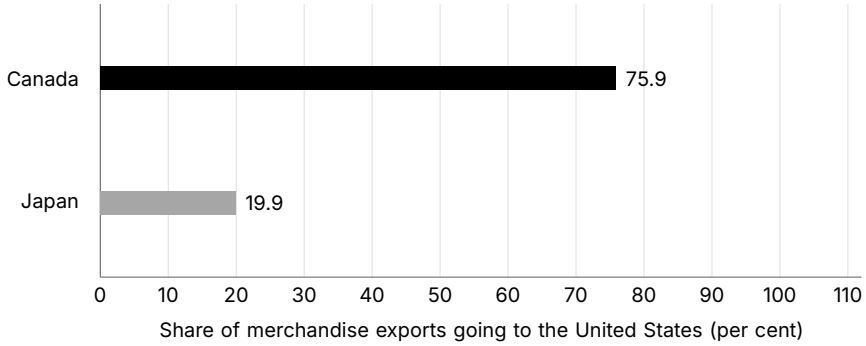
Negotiators must also deal with the style of the other side, which is not always cooperative. Some counterparts use **difficult tactics**: extreme demands, ultimatums, threats, deliberate delay, public pressure or personal attacks. These tactics can work, which is why they persist. A negotiator unable to recognise and respond to them will be exploited; one who responds by escalating may destroy an agreement beneficial to both sides.

This chapter proceeds in three steps. Section 17.1 compares hard, soft and principled negotiation and reviews the evidence on when each succeeds. Section 17.2 asks how style should be matched to the situation, the counterpart, the relationship and the balance of power. Section 17.3 examines difficult tactics and sets out ways of recognising and neutralising them without escalating the conflict.

The chapter builds on earlier parts of the book. Chapter 3 introduced the five conflict-handling styles of competing, collaborating, compromising, avoiding and accommodating; this chapter applies them to the negotiating table. Chapter 12 analysed threats, commitment and the game of chicken; this chapter asks how a negotiator should respond when such moves are used against them. Chapter

Figure 17.1

Share of merchandise exports going to the United States, Canada and Japan, 2024 (per cent)



Note. Author, based on Statistics Canada (2025) and Ministry of Finance Japan (2025). Japan's share is calculated from exports to the United States of ¥21.3 trillion out of total exports of ¥107.1 trillion.

13 listed common tactics of the middle phase of a negotiation; this chapter concentrates on the harder ones. Its Deal File compares two governments that faced the same pressure from the same counterpart in 2025, when the United States imposed tariffs on its trading partners, and responded in very different ways.

DEAL FILE

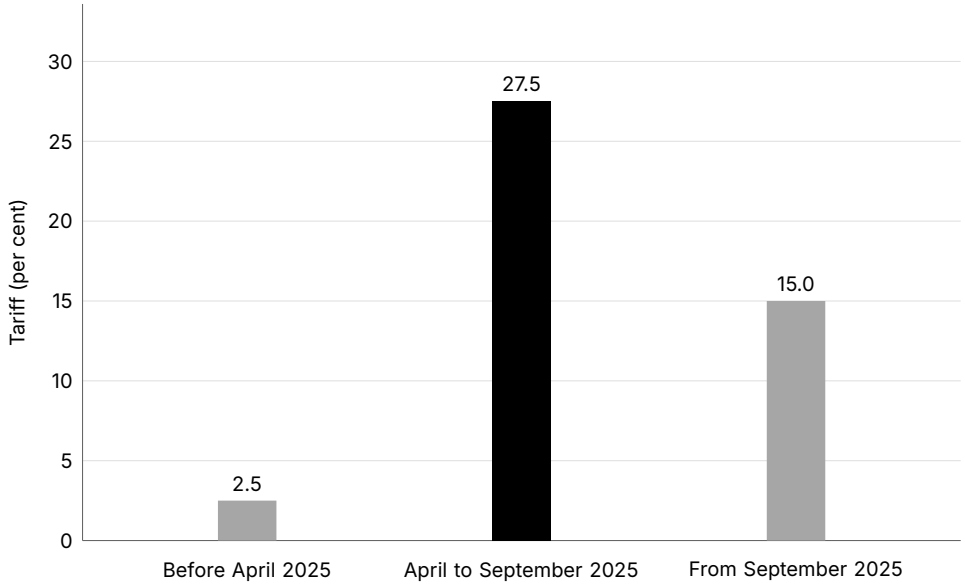
Japan and Canada under the Same Tariff Pressure

In 2025 the United States raised tariffs on imports from almost all of its trading partners. Japan and Canada, two of its closest allies and largest trading partners, were among those affected. Both faced a 25 per cent tariff on cars and car parts under Section 232 of the Trade Expansion Act (for Canada, on the non-American content of vehicles that met the rules of their regional trade agreement) (Proclamation No. 10908, 2025), and both faced additional tariffs imposed under the International Emergency Economic Powers Act (IEEPA). Their exposure differed sharply. In 2024 the United States took 75.9 per cent of Canada's merchandise exports (Statistics Canada, 2025), but only 19.9 per cent of Japan's, of which about a third were cars and parts (Ministry of Finance Japan, 2025). Figure 17.1 shows the difference.

Japan: negotiate, do not retaliate. Japan chose not to impose counter-tariffs. Its chief negotiator, Ryosei Akazawa, made repeated visits to Washington, and on 22 July 2025 the two governments announced a framework agreement. It was implemented by an executive order signed on 4 September 2025 (Executive Order No. 14345, 2025). The United States would apply a baseline tariff of

Figure 17.2

United States tariff on cars imported from Japan, 2024 to 2025 (per cent)



Note. Author, based on The White House (2025a) and Executive Order No. 14345 (2025). The rate before April 2025 is the most-favoured-nation tariff of 2.5 per cent; from April 2025 a 25 per cent Section 232 tariff was added; from September 2025 a combined rate of 15 per cent applied under the framework agreement.

15 per cent to nearly all Japanese goods, including cars and car parts, which had faced 27.5 per cent since April. In return Japan committed US$550 billion for investment in projects in the United States selected by the American president, in sectors such as semiconductors, energy, critical minerals and shipbuilding, and agreed to buy American rice, agricultural products and energy (The White House, 2025a). Under the memorandum of understanding signed on 4 September, the cash flows from each investment would be shared equally until a deemed allocation amount had been reached, and then 90 per cent to the United States and 10 per cent to Japan; the investments were to be made by 19 January 2029 (Government of Japan & Government of the United States, 2025). Figure 17.2 shows the effect on the tariff faced by Japanese cars.

Canada: retaliate, concede selectively, diversify. Canada responded differently. When the United States imposed tariffs of 25 per cent on Canadian goods in March 2025, Canada imposed counter-tariffs of 25 per cent on C$30 billion of American goods, from orange juice and wine to appliances and motorcycles, and announced a further list worth C$125 billion (Department of Finance Canada,

2025a). Goods that qualified under the Canada–United States–Mexico Agreement (CUSMA) were later exempted from the American tariffs, which protected most of Canada's exports (Executive Order No. 14325, 2025). Under Mark Carney, who became prime minister in March 2025 and won a general election in April, Canada combined firmness with concessions. In June 2025 it rescinded its digital services tax, which the United States had opposed, to allow talks to resume (Department of Finance Canada, 2025b). From 1 August the United States raised its tariff on Canadian goods outside CUSMA from 25 to 35 per cent (Executive Order No. 14325, 2025). Canada then removed, from 1 September, the counter-tariffs it had imposed in March on most American goods, while keeping those on steel, aluminium and cars, sectors in which the American tariffs applied even to goods that met CUSMA's rules (Department of Finance Canada, n.d.).

After the Supreme Court. On 20 February 2026 the US Supreme Court held that IEEPA did not authorise the president to impose tariffs (*Learning Resources, Inc. v. Trump*, 2026). The ruling removed the legal basis of the IEEPA tariffs on Canada and of the reciprocal tariffs on other countries, but it did not affect the sectoral tariffs on cars, steel and aluminium imposed under Section 232. Japan's agreement survived. Its first batch of projects, announced on 18 February 2026, totalled about US$36 billion: gas-fired power generation to supply electricity to data centres for artificial intelligence (about US$33.3 billion), infrastructure for exporting American crude oil (about US$2.1 billion) and a plant making industrial synthetic diamonds (about US$0.6 billion) (Ministry of Economy, Trade and Industry, 2026). A second batch of up to about US$73 billion, including small modular nuclear reactors, followed in March 2026 (US Department of Commerce, 2026). Canada, by contrast, had not concluded a comparable agreement at the time of writing, and its trade with the United States continued to rest mainly on CUSMA.

Questions to keep in mind. Why did two allies facing the same counterpart choose such different styles? Which style produced the better outcome, and by what measure? How did each side respond to the difficult tactics of the other, including deadlines, threats and public pressure? And what does the comparison suggest about matching style to the situation? The chapter answers these questions in turn. It does not judge the merits of the tariffs themselves, which economists and governments continue to debate; its interest is in the negotiating choices of each side.

Table 17.1

Japan and Canada under tariff pressure at a glance

	Japan	Canada
Exposure	19.9 per cent of exports to the United States; cars about a third of these	75.9 per cent of exports to the United States; deep integration under CUSMA
Main style	Accommodating and problem-solving: no retaliation, a large investment package	Competing and compromising: counter-tariffs, selective concessions, diversification
Key moves	Repeated ministerial visits; framework in July 2025; US$550 billion investment commitment	Counter-tariffs in March 2025; digital services tax rescinded in June 2025; most counter-tariffs removed in September 2025
Outcome in 2026	Tariff of 15 per cent on most goods including cars; projects worth about US$36 billion in a first batch and up to about US$73 billion in a second	Most trade protected by CUSMA; sectoral tariffs on cars, steel and aluminium; no comprehensive agreement

Note. Author, based on the sources cited in the Deal File.

17.1 Hard, Soft or Principled?

Three Approaches

Fisher and Ury (1981) contrasted three ways of negotiating. In **hard** (positional) negotiation, the negotiator treats the other side as an adversary, demands concessions as a condition of the relationship, digs into a position, makes threats and tries to win a contest of will. In **soft** negotiation, the negotiator treats the other side as a friend, makes concessions to preserve the relationship, changes position easily, makes offers and tries to avoid a contest of will. Fisher and Ury argued that both approaches are flawed. Hard negotiation produces unwise agreements, damages relationships and often ends in deadlock; soft negotiation is exploited by hard negotiators. They proposed a third approach, **principled** negotiation, built on four elements: separate the people from the problem; focus on interests, not positions; invent options for mutual gain; and insist on using objective criteria. Table 17.2 compares the three approaches.

Principled negotiation corresponds closely to the integrative approach of Chapter 8 and to the collaborating style of Chapter 3. Its strength is that it treats the relationship and the substance separately, so a negotiator can be firm on interests while remaining respectful of people. Its critics argue that it underestimates the distributive side of negotiation. Once value has been created, it must still be divided, and objective criteria rarely determine a single answer. A negotiator

Table 17.2

Hard, soft and principled negotiation compared

Feature	Hard	Soft	Principled
View of the other side	Adversary	Friend	Problem-solver
Goal	Victory	Agreement	A wise outcome reached efficiently and amicably
Concessions	Demanded as a condition of the relationship	Made to cultivate the relationship	Made on the merits, in exchange for value
Attitude to people and problem	Hard on both	Soft on both	Soft on the people, hard on the problem
Positions	Dig in	Change easily	Focus on interests, not positions
Information	Mislead about one's limit	Disclose one's limit	Avoid having a fixed limit; explore interests
Pressure	Apply it	Yield to it	Yield to principle, not pressure

Note. Author, adapted from Fisher and Ury (1981).

who relies only on principled methods may be outmanoeuvred by one who combines them with skilled claiming of value, the tension that Chapter 8 called the negotiator's dilemma.

What the Evidence Shows

Two bodies of research shed light on which style works best.

The first is experimental. A meta-analysis of studies of distributive negotiation by Hüffmeier et al. (2014) found that hard-line strategies, such as ambitious opening offers and small concessions, tended to produce better economic outcomes for the negotiators who used them than soft-line strategies did. The same strategies, however, tended to produce worse social and emotional outcomes: counterparts were less satisfied, less willing to negotiate again and less trusting. The trade-off is precisely the one that Fisher and Ury described. Toughness claims value in the short run at the cost of the relationship.

The second is field research among professional negotiators. Studies of lawyers in the United States, in which practitioners rated the effectiveness of the lawyers they had negotiated against, found most effective negotiators to be cooperative or problem-solving rather than adversarial; adversarial negotiators, particularly those regarded as unpleasant or unethical, were rated as markedly less effective (Schneider, 2002; Williams, 1983). Toughness sometimes pays, but

a reputation for being difficult carries costs which accumulate over repeated dealings. Table 17.3 summarises the evidence on negotiation styles.

Table 17.3

Evidence on negotiation styles

Source of evidence	Main finding	Implication
Experiments on distributive negotiation (Hüffmeier et al., 2014)	Hard-line strategies claim more value but reduce satisfaction and trust	Toughness has a price in the relationship
Studies of professional lawyers (Schneider, 2002; Williams, 1983)	Problem-solving negotiators are rated more effective than adversarial ones	Reputation matters in repeated dealings
Repeated games (Axelrod, 1984)	Strategies that cooperate first, retaliate when exploited and forgive quickly perform well	Firmness and cooperation can be combined
Integrative bargaining research (Chapter 8)	Sharing information about priorities creates value	Soft on people, firm on interests

Note. Author, based on the sources cited.

Beyond the Three Styles

The three approaches are ideal types. Real negotiators mix them, and the most effective often combine a firm stance on substance with a cooperative manner. Shell (2006) emphasised that each negotiator has a personal bargaining style, shaped by temperament, culture and experience; effectiveness comes from understanding one's own tendencies and adapting them, rather than abandoning them for an approach which feels unnatural. A naturally accommodating negotiator can learn to prepare firm targets and to ask for more; a naturally competitive one can learn to listen and to share information about priorities.

KEY MOVE

Be soft on the people and firm on the problem. Expect toughness to claim value but to cost goodwill, and decide in advance how much of each you are willing to trade.

17.2 How Should Style Be Matched to the Situation?

Relationship and Substance

Chapter 3 showed that no conflict-handling style suits every situation. In negotiation, the choice of style depends above all on two questions: how important is the substantive outcome, and how important is the relationship with the other side? Savage et al. (1989) used these two questions to recommend a strategy for each combination. Table 17.4 summarises their approach.

Table 17.4

Choosing a negotiating strategy by the importance of outcome and relationship

	Relationship important	Relationship unimportant
Outcome important	Collaborate: seek integrative agreements that serve both sides' interests	Compete: claim value firmly, as in a one-off purchase
Outcome unimportant	Accommodate: concede on the issue to strengthen the relationship	Avoid: do not negotiate, or negotiate briefly and move on

Note. Author, based on Savage et al. (1989).

The matrix is a starting point, not a rule. Most business negotiations involve both an important outcome and a relationship that matters, which points towards collaboration; but collaboration requires a counterpart willing to reciprocate.

The Counterpart's Style

The style of the other side matters as much as one's own. Research on repeated interaction, reviewed in Chapter 12, shows that strategies which begin cooperatively, respond in kind to the other side's behaviour and return quickly to cooperation after a conflict perform well against a wide range of opponents (Axelrod, 1984). Applied to negotiation, this suggests three principles. First, open cooperatively unless there is clear evidence that the other side will exploit cooperation. Second, respond to competitive moves firmly enough to show that exploitation does not pay, but without escalating beyond what the move requires. Third, signal willingness to return to cooperation as soon as the other side does.

Matching the other side's style is not always wise. Responding to aggression with aggression can produce an escalating spiral, as Chapter 3 described. Responding to aggression with passivity invites further aggression. The aim is a response that is firm enough to change the other side's calculation and calm enough to keep the door open.

Power, Dependence and Alternatives

Chapter 11 showed that bargaining power comes above all from alternatives. A negotiator with a strong alternative can afford a harder style, because the threat to walk away is credible; one with a weak alternative risks having its bluff called. Dependence also shapes style. A party depending heavily on the other may choose accommodation not out of weakness of character but out of a realistic assessment of what confrontation would cost.

The Deal File illustrates this logic, but with an important twist. On a simple reading of dependence, Canada, which sent three quarters of its exports to the United States, should have been the more accommodating party, and Japan, which sent a fifth, the more confrontational. The opposite happened. Several factors explain this. Canada's exports were largely protected by CUSMA, so that the tariffs actually applied affected a smaller share of its trade than its total dependence suggested. Canada's domestic politics, in which public opinion strongly supported a firm response, rewarded resistance. And Japan's strategy reflected its priorities: its car industry, the largest part of its exports to the United States, needed relief from the 27.5 per cent tariff, and its security alliance with the United States gave it a strong interest in avoiding confrontation. The comparison suggests that style depends on the whole structure of a negotiation, not on a single measure of power.

Constituencies and Time Horizon

Two further factors shape the choice. The first is the negotiator's **constituency**. Chapter 4 described the two-level game in which negotiators bargain with the other side and with their own constituents at the same time. A style winning approval at home may make agreement abroad harder, and vice versa. Canada's counter-tariffs answered domestic pressure for a firm response, but they also narrowed the room for concessions that its government could offer. Japan's restraint required its government to accept domestic criticism that it had conceded too much.

The second is the **time horizon**. In a one-off transaction, a hard style may maximise value. In a continuing relationship, the costs of toughness accumulate, because each round of negotiation shapes the next, and a reputation for fair dealing becomes an asset, as Chapter 12 showed. Trade relations between allies are among the longest of all relationships, which is one reason why both Japan and Canada, despite their different styles, combined firmness with repeated signals of willingness to agree. Table 17.5 summarises the factors that should guide the choice of style.

Table 17.5

Factors in choosing a negotiating style

Factor	Favours a harder style	Favours a softer or collaborative style
Importance of the relationship	Low; one-off deal	High; continuing relationship
Alternatives	Strong alternative	Weak alternative
Counterpart's behaviour	Exploits cooperation	Reciprocates cooperation
Constituency	Rewards firmness	Rewards agreement
Potential for joint gains	Little; fixed pie	Large; issues valued differently
Information	Other side reveals little	Both sides share priorities
Time horizon	Short	Long

Comparing Outcomes

Which country negotiated better? The answer depends on the measure. Japan secured a lower tariff on its most important export and early certainty for its car industry, at the cost of a very large investment commitment whose terms gave the United States considerable control over the choice of projects and a large share of their profits. Canada protected most of its trade through CUSMA and avoided committing to a comparable investment package, but faced continuing sectoral tariffs and uncertainty about the future of the trade agreement on which its economy depends. Each style traded certainty against cost in a different way, and the full balance will only be known years later. The comparison shows that style choices are bets on how the other side will respond and on how the relationship will evolve.

KEY MOVE

Choose your style by analysing the whole situation: the importance of the outcome and of the relationship, your alternatives, your counterpart's behaviour, your constituency and your time horizon. Open cooperatively unless there is evidence you will be exploited, respond firmly but proportionately, and keep the way back to cooperation open.

DEAL SNAPSHOT

South Korea's Investment Pledge, 2025

South Korea faced the same tariffs on its cars as Japan, and it too sought a tariff of 15 per cent in return for investment in the United States. Agreeing the details took months, and the outcome was settled at a summit in Gyeongju on 29 October 2025 and published in a joint fact sheet in November. The package had two parts: US$150 billion of Korean investment in the shipbuilding sector and a further US$200 billion of investment under a memorandum of understanding, of which Korea would not be required to provide more than US$20 billion in any calendar year. In return the United States would apply a tariff of 15 per cent to most Korean goods (The White House, 2025d). The annual cap limited the strain that so large a commitment could place on Korea's foreign-exchange reserves. Korea's approach combined acceptance of the overall framework with firmness on the details that mattered most to it, a pattern of being soft on the headline and hard on the terms.

17.3 How Should Difficult Tactics Be Handled?

Why Difficult Tactics Work

Difficult tactics, sometimes called hardball tactics, are designed to pressure the other side into concessions it would not otherwise make. They work by exploiting the psychological tendencies described in Chapter 16: anchoring, loss aversion, the desire to avoid conflict and the discomfort of uncertainty. They also work by changing, or appearing to change, the other side's alternatives. A negotiator who recognises a tactic for what it is has already reduced its power, because the tactic depends largely on being taken at face value.

Chapter 13 described several common tactics of the middle phase of a negotiation, including bracketing, trial balloons, nibbling, the good cop and bad cop routine, and claims of limited authority. Table 17.6 sets out a further group of harder tactics, with their purpose and the main responses.

Table 17.6

Difficult tactics and responses

Tactic	How it works	Response
Extreme opening demand	An outrageous first offer anchors the talks and makes later demands seem moderate	Do not counter-offer from the anchor; reject it explicitly and re-anchor with a justified offer of your own
Ultimatum (take it or leave it)	Presents an offer as final, leaving no room for negotiation	Test it: ignore the framing and discuss the substance; consider your alternative calmly

Tactic	How it works	Response
Threat	Warns of harm if demands are not met	Assess credibility and cost to the threatener; do not respond in kind immediately; name the threat and redirect to interests
Deliberate delay	Uses time to increase pressure, often near a deadline	Prepare your alternative; set your own deadlines; avoid negotiating against an artificial clock
Public pressure	Takes the negotiation to the media or the public to mobilise third parties	Keep communication professional; respond to the public on substance; seek private channels
Intimidation and personal attacks	Uses anger, insults or status to unsettle	Name the behaviour; take a break; refuse to negotiate under abuse
The bogey	Pretends that an issue of little importance matters greatly, in order to trade it later	Ask for reasons; test with diagnostic questions; compare with known interests
Salami tactics	Achieves a large goal through a series of small demands, each too small to resist	Look at the cumulative effect; agree the whole package before conceding parts
Exploding offer	An offer with a very short deadline prevents comparison with alternatives	Ask for more time; do not accept a deadline that prevents due diligence
Snow job	Overwhelms the other side with information, hiding what matters	Ask for summaries; use experts; focus on the key issues

Note. Author, based on Lewicki et al. (2020) and Ury (1991).

Threats, Commitments and Credibility

Schelling (1960) showed that threats and commitments are strategic moves working by changing the other side's expectations about one's future behaviour. A threat is effective only if it is credible, which usually requires either that carrying it out would not be too costly to the threatener, or that the threatener has committed itself so firmly that it cannot back down. A threat which is not believed invites a test; a threat carried out may harm both sides.

Responding to a threat therefore begins with an assessment of credibility. Would carrying it out harm the threatener as well? Has the threatener committed itself publicly? Has it carried out similar threats before? A negotiator who concludes that a threat is credible must decide whether the cost of the threatened harm exceeds the cost of the concession demanded. A negotiator who concludes that it is not credible can call the bluff, but must be prepared to be wrong.

Tariffs in 2025 illustrate the logic. Many threatened tariffs were imposed, raised, suspended or reduced as negotiations progressed, so that both sides had to assess repeatedly which threats would be carried out. Japan treated

the threats as credible and negotiated to reduce them. Canada treated them as credible but responded with threats and measures of its own, then reduced its counter-measures when it judged that doing so would advance negotiations. The Supreme Court ruling of February 2026 changed the credibility of a whole category of threats overnight, by removing the legal basis for tariffs imposed under emergency powers.

Ultimatums and Deadlines

An ultimatum attempts to end the negotiation by presenting an offer as final. It works if the other side believes no better offer will come and its own alternative is worse. It fails if the other side tests it and finds that the offer can be improved. Chapter 12 showed that people reject offers they regard as unfair even at a cost to themselves, so an apparently unfair ultimatum may be rejected even when accepting it would be rational in narrow terms.

Deadlines are related tactics. Real deadlines, such as the expiry of a contract or a date fixed by law, concentrate minds and often produce agreement. Artificial deadlines are used to create pressure and to prevent the other side from considering alternatives. The response is to distinguish real from artificial deadlines, to avoid making one's own position dependent on the other side's clock and to prepare one's alternative well before any deadline arrives. The repeated deadlines set for tariff negotiations in 2025, several of which were extended, show both the power and the fragility of deadline pressure.

Public Pressure

Taking a negotiation into the public arena is a tactic that mobilises third parties, such as voters, customers, investors or regulators, to put pressure on the other side. It can work, as Chapter 16 showed, but it raises the cost of retreat for both sides and can provoke escalation. Paramount's tender offer for Warner Bros. Discovery, described below, went over the heads of the board to the shareholders, and Delta's public announcement of its claims against CrowdStrike, described in Chapter 16, addressed investors as much as the other side. Both episodes show that public pressure is a tactic whose effects are hard to control.

Getting Past No

Ury (1991) proposed a five-step method for dealing with difficult counterparts, which he called **breakthrough negotiation**:

1. **Go to the balcony.** Do not react. Step back mentally, name the tactic to yourself, buy time and keep your eyes on your interests.
2. **Step to their side.** Defuse emotions by listening actively, acknowledging the other side's points and agreeing wherever you can.

DEAL SNAPSHOT

The Battle for Warner Bros. Discovery, 2025 to 2026

On 5 December 2025 Warner Bros. Discovery agreed to sell its studios and streaming business to Netflix, after separating its global networks division, for US$27.75 per share in cash and Netflix stock, an enterprise value of US$82.7 billion (Netflix, 2025). Three days later Paramount Skydance launched a hostile tender offer, going directly to shareholders with an all-cash bid of US$30 per share for the whole company. It amended the offer repeatedly, adding a personal guarantee from the billionaire Larry Ellison and, in February 2026, a payment to shareholders for each quarter of delay beyond 2026 (Paramount Skydance, 2026a). On 27 February 2026 Warner Bros. Discovery signed a merger agreement with Paramount at US$31 per share, an equity value of US$80.9 billion plus the assumption of its net debt. Paramount paid on Warner Bros. Discovery's behalf the US$2.8 billion termination fee owed to Netflix, agreed to a regulatory termination fee of US$7 billion if approval were refused and accepted a "ticking fee" for each day of delay after 30 September 2026 (Paramount Skydance, 2026b). The two companies later announced that the merger was expected to close on 6 October 2026 (Paramount Skydance & Warner Bros. Discovery, 2026). The case shows a sequence of difficult tactics in a commercial setting: a hostile offer bypassing the board, public letters to shareholders, repeated bids and fees designed to transfer risk. It also shows how the board used the competing bids to raise the price, and how the final terms shifted risk to the bidder.

3. **Reframe.** Treat the other side's position as a possible option and ask problem-solving questions: why, why not, what if.
4. **Build them a golden bridge.** Make it easy for them to say yes by involving them in designing the solution, satisfying their unmet interests and helping them save face.
5. **Use power to educate.** If they still resist, show them the consequences of not agreeing, by making your alternative clear, without threatening or humiliating them.

The method rests on the insight that difficult tactics are often a sign of fear, pressure from constituents or the habit of a hard style rather than of an irreversible commitment. Responding with understanding, while protecting one's own interests, changes the game from a contest of wills to a joint problem.

Negotiation Jujitsu and Tricky Bargaining

The second edition of *Getting to Yes* added two chapters on what to do when the other side will not negotiate on the merits (Fisher et al., 1991). If the other side asserts its position, attacks one's ideas or attacks one personally, the natural reaction is to push back, which locks both sides into positional bargaining. Fisher and his co-authors recommended instead what they called **negotiation jujitsu**: like a martial artist, the negotiator steps aside and turns the other side's force against the problem. A position is treated neither as accepted nor as rejected but as one possible option, whose underlying interests and principles can be explored. Criticism is invited rather than resisted, by asking what is wrong with a proposal or what the other side would do in one's place. A personal attack is recast as an attack on the problem. The two main tools are questions, which offer no target to strike at, and silence, which often prompts the other side to fill the pause with an answer or a new suggestion.

For **tricky bargaining**, tactics designed to be used by one side only, the authors proposed three steps: recognise the tactic, raise it explicitly and then negotiate over its legitimacy, applying the same principles to the rules of the game as to the substance (Fisher et al., 1991). The negotiator questions the tactic rather than the other side's integrity, asks what interests lie behind it, suggests other procedures and tests the tactic against the principle of reciprocity. If the other side persists, the negotiator falls back on the best alternative. Fisher and his co-authors grouped the tactics into three families: **deliberate deception**, such as false facts, ambiguous authority and dubious intentions; **psychological warfare**, such as stressful surroundings, personal attacks and the good cop and bad cop routine; and **positional pressure**, such as refusing to negotiate, extreme demands, escalating demands and take-it-or-leave-it offers. Many of the tactics in Table 17.6 fall into these families, and naming the family helps a negotiator choose a response.

When to Walk Away

Not every negotiation should end in agreement. If the other side persists with tactics that make a fair agreement impossible, or if the best available agreement is worse than one's alternative, walking away is the rational choice. Walking away is also a signal: it shows that one's alternative is real and one will not be exploited. It should be done calmly and, where possible, with a clear statement of the conditions under which talks could resume. Tapestry's decision in November 2024 to abandon its acquisition of Capri rather than fight a long legal battle, described in Chapter 9, shows how walking away can be a considered choice rather than a failure.

KEY MOVE

Name the tactic to yourself, then decide on your response rather than reacting. Test ultimatums and threats against your alternative, refuse to negotiate against artificial deadlines or abuse, and build the other side a golden bridge to agreement. Walk away when the best available deal is worse than your alternative.

BACK TO THE DEAL FILE

Reading the Responses of Japan and Canada

The concepts of this chapter help to explain the two responses and their outcomes.

Different styles reflected different structures. Japan, facing a tariff on its most important export and valuing its security relationship highly, chose accommodation combined with problem-solving: no retaliation and a large investment package that served American interests. Canada, protected for most of its trade by CUSMA and supported by domestic opinion, chose a more competitive style combined with selective concessions.

Both responded to difficult tactics. Both faced deadlines, threats and public statements designed to increase pressure. Japan responded by negotiating quickly to remove uncertainty; Canada responded with counter-measures and then with targeted concessions.

Constituencies shaped style. Canada's firm response answered domestic pressure, but it also made concessions harder to offer. Japan accepted domestic criticism of its concessions in exchange for certainty.

Outcomes depend on the measure. Japan gained a lower tariff and certainty at the cost of a large and closely controlled investment commitment. Canada protected most of its trade without such a commitment, but faced continuing sectoral tariffs and uncertainty over CUSMA.

Institutions changed the game. The Supreme Court ruling of February 2026 removed one category of threat, illustrating how the credibility of tactics depends on the legal framework within which they are used.

MA EXTENSION

Reputation and the Choice of Style in Repeated Bargaining

Consider a negotiator who faces a sequence of counterparts and can be one of two types: "tough", who never concedes below a high price, or "flexible", who concedes when pressed. Counterparts do not know the negotiator's type but update their beliefs after observing its behaviour. (a) Explain why a flexible negotiator may have an incentive to behave as if it were tough in early rounds. (b) Under what conditions does building a reputation for toughness pay, and under what conditions does it destroy value by causing impasse? (c) Apply your analysis to a government that negotiates trade agreements with many partners at the same time. How might its behaviour towards one partner affect its negotiations with others, and how might the partners coordinate their responses?

ETHICS CHECK

Many difficult tactics involve pressure rather than deception: deadlines, threats, public campaigns and hostile offers. Some, such as the bogey or false claims of limited authority, involve misrepresentation. Are hard tactics relying on pressure ethically different from those relying on deception? Is it ethical for a negotiator to use a tactic that works only because the other side does not recognise it? How should a negotiator respond to a counterpart whose tactics he or she regards as unethical but legal?

Pillar Scorecard

Table 17.7

Pillar Scorecard: Japan and Canada under tariff pressure, 2025 to 2026

Pillar	Importance in this case	Evidence
Profit	Very high	Tariffs on hundreds of billions of dollars of exports, and investment commitments of US$550 billion by Japan, were at stake
Power	Very high	Dependence on the US market, the protection of CUSMA, legal authority for tariffs and alliance relationships shaped each side's options
Persuasion	High	Styles, public campaigns, deadlines and threats determined how the parties communicated and how quickly they reached, or failed to reach, agreement

Your Move

This is a constructed teaching case.

You are the export director of a Polish manufacturer of furniture based in Poznań that sells about 30 per cent of its output to a large German retail chain. At the annual negotiation, the chain's new purchasing director opens with a demand for a 15 per cent price cut, calls the offer "final", says three Asian suppliers are waiting, and gives you 48 hours to accept. During the meeting he criticises the quality of your last delivery in front of your team. You know the chain has been your customer for twelve years, and switching suppliers would take it at least six months.

1. Identify each difficult tactic in the opening and explain how it is meant to work.
2. Using Table 17.5, decide which style you would adopt and why.
3. Apply the five steps of breakthrough negotiation to plan your response.
4. Assess the credibility of the threat to switch suppliers. What information would you seek?
5. Under what conditions would you walk away, and how would you do it?

Conclusion

Negotiators differ in style, and style is a strategic choice. Hard negotiation tends to claim value but damages relationships; soft negotiation preserves relationships but is exploited; principled negotiation seeks wise agreements by separating people from problems and focusing on interests, though it must still contend with the division of value. The evidence suggests that toughness pays in single encounters but carries costs which accumulate in continuing relationships; the most effective negotiators combine firmness on substance with a cooperative manner. The right style depends on the importance of the outcome and of the relationship, the balance of alternatives, the counterpart's behaviour, the constituency and the time horizon. Difficult tactics, from extreme demands and ultimatums to threats, delay and public pressure, work largely by being taken at face value; they can be neutralised by recognising them, testing them against one's alternative and building a golden bridge to agreement. The responses of Japan and Canada to American tariffs show two coherent but different styles applied to the same pressure, each with its own costs and benefits. Chapter 18 turns to culture, which shapes both the styles negotiators adopt and how their tactics are perceived.

Exercises

A. Objective Questions

1. Fisher and Ury (1981) recommend being:
   a) hard on the people and soft on the problem
   b) soft on the people and hard on the problem
   c) hard on both
   d) soft on both

2. The meta-analysis of Hüffmeier et al. (2014) found that hard-line strategies tend to:
   a) produce worse economic and social outcomes
   b) produce better outcomes of every kind
   c) produce better economic outcomes but worse social and emotional outcomes
   d) have no effect

3. According to Savage et al. (1989), when both the outcome and the relationship are important, a negotiator should:
   a) collaborate
   b) avoid
   c) compete
   d) accommodate

4. In 2024 the share of Canada's merchandise exports going to the United States was about:
   a) 20 per cent
   b) 50 per cent
   c) 76 per cent
   d) 90 per cent

5. Under the framework agreement implemented in September 2025, the US tariff on most Japanese goods, including cars, was:
   a) 2.5 per cent
   b) 10 per cent
   c) 15 per cent
   d) 27.5 per cent

6. The bogey is a tactic in which a negotiator:
   a) makes an offer with a very short deadline
   b) threatens to walk away
   c) overwhelms the other side with information
   d) pretends that an unimportant issue matters greatly, in order to trade it later

7. The first step of Ury's breakthrough negotiation is to:
   a) build a golden bridge
   b) use power to educate
   c) reframe
   d) go to the balcony

8. In February 2026 the US Supreme Court ruled that:
   a) IEEPA did not authorise the president to impose tariffs
   b) Section 232 tariffs were unlawful
   c) CUSMA was invalid
   d) Japan's investment agreement was unconstitutional

B. Short-Answer Questions

1. Compare hard, soft and principled negotiation using Table 17.2.
2. Summarise the evidence on the effectiveness of hard and cooperative styles. What explains the difference between experimental and field findings?
3. Explain how the importance of the outcome and of the relationship should shape the choice of style.
4. Why did Canada, though more dependent on the US market than Japan, adopt a harder style?
5. Describe four difficult tactics and the recommended response to each.
6. How should a negotiator assess the credibility of a threat?
7. Explain the five steps of breakthrough negotiation.

C. Long-Answer Questions

1. Compare the responses of Japan and Canada to American tariffs in 2025 and 2026. Which negotiated more effectively, and by what measures?
2. "Toughness wins the deal but loses the relationship." Discuss with reference to the evidence in this chapter and to cases from this book.
3. Analyse the battle for Warner Bros. Discovery as a sequence of difficult tactics and responses. What does it teach about negotiating against a hostile bidder?
4. Design a training programme for a sales team that regularly faces aggressive purchasing negotiators. Which styles, responses and tools would you teach, and why?

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