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## Is Time on Your Side: An Examination of Six Dimensions of Time From a Negotiation and Relational Perspective

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Submitted to the Program of Organizational Dynamics in the Graduate Division of the School of Arts and Sciences in Partial Fulfillment of the Requirements for the Degree of Master of Philosophy at the University of Pennsylvania

Advisor: Peter Steiner

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## Abstract

This Capstone Paper, which is heavily influenced by my Master of Philosophy studies in the Organizational Dynamics program, discusses six dimensions of time that influence negotiations and relationships. I describe in detail each of the six dimensions of time. Next, I use examples from the Cuban Missile Crisis to illustrate how these dimensions of time played a critical role under the most pressure packed situation. Then I explore how these dimensions play an important role in how individuals and organizations use time when negotiating with third parties and use time as a form of strategic advantage. I conclude by relating back to my prior discussion and analysis to support my argument that the person or organization who understands the time dynamics of a situation frequently will have the upper hand in a negotiation or relationship, regardless of the advantages or disadvantages the other person or organization might have in material resources.

## Comments

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FROM A NEGOTIATION AND RELATIONAL PERSPECTIVE

by

Larry Jacobson

Submitted to the Program of Organizational Dynamics in the  
Graduate Division of the School of Arts and Sciences  
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Master of Philosophy at the  
University of Pennsylvania

Philadelphia, Pennsylvania

2008

IS TIME ON YOUR SIDE: AN EXAMINATION OF SIX DIMENSIONS OF TIME  
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Approved by:

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Peter Steiner, Ph.D., Thesis Advisor

## ABSTRACT

This Capstone Paper, which is heavily influenced by my Master of Philosophy studies in the Organizational Dynamics program, discusses six dimensions of time that influence negotiations and relationships. I describe in detail each of the six dimensions of time. Next, I use examples from the Cuban Missile Crisis to illustrate how these dimensions of time played a critical role under the most pressure packed situation. Then I explore how these dimensions play an important role in how individuals and organizations use time when negotiating with third parties and use time as a form of strategic advantage. I conclude by relating back to my prior discussion and analysis to support my argument that the person or organization who understands the time dynamics of a situation frequently will have the upper hand in a negotiation or relationship, regardless of the advantages or disadvantages the other person or organization might have in material resources.

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## CHAPTER 1

### INTRODUCTION

#### Introduction of a Hypothesis That an Individual or Organization That Understands The Time Dynamics of a Situation Will Frequently Have the Upper Hand in a Negotiation or Relationship

Is time on your side? What does it mean to have time on your side? Why do some people “manage” time better than others? Why are some people habitually “on time” while others frequently ignore scheduled meeting times or deadlines? How do different individuals react differently to time pressure? In what situations does past history and expected future environment impact current thinking and actions?

The concept of time is well studied. Traditional notions of time, to be discussed in greater depth shortly, view time strictly in terms of the passage of a clock. The clock was designed so that individuals who lived apart could congregate elsewhere for work, church or other social reasons by virtue of an identical measuring unit. Moreover, the clock was used as a measurement of time spent at work. The clock as a “ticking” agent is still viewed the same way today.<sup>1</sup>

Today, we view the concept of time from many different perspectives. It is much more than the passage of minutes, weeks, months and years. Time can be viewed as an asset or as a liability depending on the circumstances. Individual approaches to time determine states of mind. Past time (more commonly known as history) has an impact on the current actions of individuals and organizations. Certainly time is viewed as a measurable resource that needs to be carefully considered in terms of managing a relationship or negotiation.

The former world chess champion Garry Kasparov has an interesting take on how time impacts a chess game and life situations. Kasparov's motto is "being one move ahead is a tactical plus."<sup>2</sup> Kasparov distinguishes "clock time" (the time you are allowed to make a chess move) from "board time" (the number of steps it takes to accomplish an objective).<sup>3</sup> He also notes that "time is not gained just by moving faster or taking shortcuts."<sup>4</sup> As a matter of chess strategy, Kasparov is a firm believer of preferring "time" (in the form of preserving options and using time as a weapon) over "material" (in the form of particular chess pieces) not only in the game of chess, but in the game of life as well.<sup>5</sup>

I believe that Kasparov's sophisticated analysis of time is appropriate to a wide variety of situations. But dimensions of time cannot truly be understood without an understanding of the concept of "patience". Time is frequently thought of as "being in the moment" or "what do I have to do right now". Self-aware individuals understand time in the context of patience. What do I mean by patience? Patience might mean:

1. Waiting for the right opportunity to come along;
2. Recognizing how long a goal might take to get accomplished; or
3. Recognizing that you are engaged in a multi step process.

The six dimensions of time discussed in this paper all start from the proposition that patience is a very important trait that allows an individual or organization to take full advantage of time concepts. A person who waits for the right opportunity to come along, recognizing that the wait might be measured not in terms of days or months but perhaps years, is far more likely to achieve a strategic objective when compared to an impatient individual whose time frame is measured in very small increments. A person who has

realistic expectations that a project or negotiation might take more than a fixed amount of time is often more likely to be successful when compared to an individual who is insistent in concluding a matter at a time certain. A person who looks at a situation as a matter that requires multiple actions and significant time to be expended is far more likely to achieve a satisfactory result when compared to someone who is so impatient that he or she fails to take the time to understand the complexities of the matter and the time needed to be victorious.

Of course, there are certain situations in which patience is not practicable. In those situations, hopefully we have a well developed enough “gut instinct” that will enable us to make appropriate quick decisions. Although this paper will discuss the ability of time aware individuals to “slow down” their reactions in cases involving split second reactions, slowing down reaction time only partially involves the application of patience. For the most part, patience is synonymous with a person or organization that is well versed in these six dimensions of time and applies them as appropriate.

This brief discussion of the concepts of time and patience are a prelude to the hypothesis to be analyzed in this paper: An individual or organization that best understands the time dynamics of a situation will frequently have the upper hand in a negotiation or relationship. In other words, frequently time can be as important a concept as material resources such as money, manpower or other assets. The understanding of the six dimensions of time allows persons to achieve their objectives even though their counterpart might have a substantial advantage in other resources. I will later examine the manner in which President Kennedy applied these concepts during the Cuban Missile Crisis. Although the United States had superior military strength when compared to the

Soviet Union, each side had nuclear resources of the type to destroy the other country under any scenario. Based on this knowledge, President Kennedy's objective was a negotiated and sustainable agreement with the Soviet Union, not a military confrontation. Through the shrewd understanding of time dynamics (including a reservoir of patience demonstrated by virtually none of his advisors), the interrelationship of how the situation in Cuba impacted potential Soviet actions in Berlin and Turkey, the time sensitive use of delay and deadlines and the ability to call a "time out" at the appropriate time, President Kennedy demonstrated a mastery of time concepts that allowed the United States to accomplish its objective of forcing the Soviet Union to remove nuclear missiles from Cuba with minimal cost to the United States in terms of its political, diplomatic or military position.

#### Brief Discussion of the Six Dimensions of Time

Undoubtedly, there are many more dimensions of time than the six discussed in this Capstone Paper. I have focused particularly on these six dimensions since they have practical application to a wide variety of real life negotiation (broadly defined) settings.

The first dimension deals with the concept of time as a measurement of activity. In this section, I will contrast the notions of clock time and event time. In our modern Internet age, greater expectations of individuals and organizations in terms of availability for work related matters expand the amount of time that a worker is "on the clock." On the other hand, we are moving more towards a working environment where a worker does not always physically need to be in a particular place at a particular time to get his or her work done. Moreover, in many situations, employers and clients do not care about the time it takes to complete a project (or when the project is actually worked on) so long

as the project is completed by a particular deadline. The shifting of importance of clock time to event time is a major shift that has an impact on anyone for whom technology impacts their work environment. Yet clock time has not become irrelevant; the loss of leisure and down time due to the need to stay “connected” via Blackberry or cell phone during most waking hours has many of us “on the clock” far longer than our predecessors who might have worked 60 hour weeks but yet put work away when outside the office.

The second dimension deals with time as an attitude that determines a person’s psychological state of mind. To a certain extent, this is a variation of Csikszentmihalyi’s concept of “flow” where an individual gets lost in the moment when engaged in enjoyable professional or personal pursuits. But this dimension involves more than flow; it contrasts individuals who are able to focus in a calm state in a wide variety of pressure type situations with those individuals who become nervous or excited when they are in anxious settings. Think of a soccer game, where each team might have only a few shots on goal. The best soccer players, when given a scoring opportunity, tend to relax and treat their opportunity from a calm, almost Zen like, perspective. On the other hand, a player who has had few scoring opportunities tends to tense up when given a good scoring opportunity. The player who controls his emotions, by slowing his time reaction, is more likely to be successful.

The third dimension deals with time as a strategic negotiating tactic. In other words, how do you control the timing of events to gain a strategic advantage. In evaluating this dimension, I will spend much time looking at negotiating strategies. Concepts such as deadlines, controlling timing of events and manipulating the time situation of other parties all play a significant role in negotiations.

The fourth dimension discusses time as a commodity that can be bought or sold. In the financial community, I can pay money to acquire an option that gives me a certain period of time to decide whether to buy a particular stock or piece of real estate. I can pay money to have a package delivered in three days, two days or overnight. I can barter with another person to give them something of value (even a future promise) in order to “buy more time” to finish a project or prepare for a meeting. There are many situations where it is beneficial to two or more parties to “pay” something in order to extend the time frame in which to make an important decision, purchase an asset or pay off a liability.

The fifth dimension discusses time as something that can be stopped in place. In some quarters, this is called taking a “timeout”, a delay or calling a ceasefire. Stopping time is a very powerful tool in relationships. Calling a timeout can result in the calming of emotions. A timeout can allow a party to collect more resources, deploy resources more effectively or rethink strategies altogether. Of course, a timeout allows the other side to regroup and rethink as well. Thus, time as something that can be stopped is a discretionary tool that needs to be carefully thought out before proposed to another party.

The sixth and final dimension discusses time as a historical reference point. How are current events shaped by past actions of the parties? What are the future expectations of the parties and how are those expectations influenced by past events? Can we ignore past time in making a decision today? Does the background or ethnicity of the person we are dealing with play any role in how “past time” impacts “current time”? These are difficult questions that have no easy answers. Historians treat past events as having future relevance. This is undoubtedly true in many situations. Yet change is frequently

defined as a new paradigm, invention or approach that frequently has little in common with the past. (Could anyone predict the Holocaust as a consequence of post World War I attitudes towards Germany?). Therefore, we will tread carefully in terms of how time, in the form of past events, influences the present.

## CHAPTER 2

### DIMENSION NUMBER ONE: TIME AS A MEASUREMENT OF ACTIVITY

Historically, time has been thought of in terms of the mechanical clock and slavish adherence to the clock. In describing the early relationship between the mass introduction of the clock and industrialization, time experts Robert Hassan and Ronald E.

Purser note:

Work, everyday life, the running of the economy and the philosophical and political foundations of the era all rested increasingly on a specific and narrow perspective of time was—and that was represented through the external and rigidly mathematical time expressed on a clock face...Clocks metered social life and their ubiquity grew to the point where their logic and rhythm seeped into our consciousness and suffused our cultures. Even Einstein's 1905 theory of relativity (where time is relative), which blew the Newtonian view (where time is absolute) out of the water, barely dented the modernist assumptions we had internalized regarding how we viewed time.<sup>6</sup>

Hassan and Purser contrast the historic notion of clock time to our more modern to our technologically molded view of real time:

Information networks, of course, act as another form of artificial temporality. Through them humans now create a virtual time and space. Networks may be seen as a kind of temporal ecology outside the centripetal force of clock time. People from any point on the globe can communicate in something approaching “real time” through video or email, voice, and so on, creating a temporal context where what the local time of the clock reads is of no importance.<sup>7</sup>

In mundane terms, what Hassan and Purser are discussing is the difference between “clock” time and “event” time. When we discuss clock time, we talk about something take place by reference to an elapsed clock. In other words, we say that something takes X hours, X days, X months, etc. A workday has X hours, goes from 9 am to 5 pm, etc. All of these references are based on a quantitative notion of how long it takes to accomplish something by reference to a clock.

On the other hand, when time is defined simply on the basis of the amount of **effort** (rather than clock time) it takes to accomplish something, we call that “event” time. For example, I say that I will spend as much “time” as is necessary to complete a job satisfactorily. In this context, I am defining my time concept based on how long it takes to complete the task rather than saying I will spend X hours to complete the task and no more.

Differences in clock vs. event time are easy to discern. Soccer games are based on clock time; baseball games have no time limit as the game is played as long as it takes for one team to win. If I say that I will take a lunch break at 2 pm, it is defined in clock terms. If I say I will eat lunch when I am hungry, it is defined in event terms. If I say I will meet you for a drink at 6 pm, it is based on clock time; if I say I will meet you for a drink when I am done with work, it is based on event time.

Until around 15 years ago, the modern workplace, regardless of national geography, was generally based on clock time. A worker, with some exceptions, whether employed in the United States, France or China, was expected to be at work at a certain time and stay at work until a certain time. There were always exceptions for salespersons, researchers and certain professionals, but generally the workday revolved around the notion of the clock.

Another way of looking at clock time involves notions of notions of sequentially and synchronically organized activities. Persons with a sequential or monochronic personality tend to engage in one activity at a time; persons with a synchronic or polychronic personality tend to engage in multiple activities at a time. As explained by Trompenaars and Hampden-Turner:

The synchronic method, however, requires that people track various activities in parallel, rather like a juggler with six balls in the air with each being caught and thrown in rhythm. It is not easy for cultures that are not used to it...There is a final, established goal but numerous and possibly interchangeable stepping stones to reach it. A person can “skip between stones” on the way to the final target.

In contrast, the sequential person has a “crucial path” worked out in advance with times for the completion of each stage. They hate to be thrown off this schedule or agenda by unanticipated events...Synchronic or polychronic styles are extraordinary for those unused to them..People who do more than one thing at a time can, without meaning to, insult those who are used to doing only one thing. Likewise, people who do more than one thing at a time can, without meaning to, insult those who are used to doing only one thing.<sup>8</sup>

Edward T. Hall and Mildred Reed Hall further elaborate on the cross-cultural aspects of the different ways of looking at time. The Halls refer to “sequential time” described above as “monochronic time”. According to the Halls, “(m)onochronic time is perceived as being almost *tangible*: people talk about it as though it were money, as something that can be ‘spent’, ‘saved’, ‘wasted’ and ‘lost’”.<sup>9</sup> The Halls believe that Americans, Germans, Swiss and Scandinavians “are dominated by the iron hand of the clock”, take time commitments very seriously and concentrate on doing one thing at a time.<sup>10</sup> On the other hand, people from Mediterranean, Latin and many Asian countries are polychronic in approach. The Halls view polychronic individuals as those who engage in many activities simultaneously and enjoy great interaction with people.<sup>11</sup> They give the following explanation of polychronic people:

Polychronic people feel that private space disrupts the flow of information by shutting people off from one another. In polychronic systems, appointments mean very little and may be shifted around even at the last minute to accommodate someone more important in an individual’s hierarchy of family, friends or associates. Some polychronic people (such as Latin Americans and Arabs) give precedence to their large circle of family members over any business obligation. Polychronic people also have many close friends and good clients with whom they spend a great

deal of time. The close links to clients or customers creates a reciprocal feeling of obligation and a mutual desire to be helpful.<sup>12</sup>

The emergence of event time as predominant does not mean the end of clock time. Appointments, meetings and other social events will continue to be scheduled by reference to the clock. However, the notions of event and real time in which individuals and organizations who are not expected to be physically situated in a particular place in a particular time creates difficulties regardless if a person is monochronic or polychronic in personality. Technology is requiring individuals to be on call at all hours of the day, especially if an individual works in a multinational organization or in an intense field such as investment banking, law or consulting.

Thus, in a sense, an individual whose job success is measured by the quality of his work rather than his physical presence at work, is still a slave to the “clock”. A consultant whose arrangement with the client requires him to deliver a report on a date certain may be viewed as working under event time since the consultant does not concern himself with working the project a fixed number of hours per day; all that is required is the appropriate effort needed to get the project done well on a particular date. However, the consultant really isn't off the clock. He will be expected to make himself available during times that are convenient to others, not him. If scheduling a meeting via conference call is necessary at 10 pm local time (due to the availability of others in Hong Kong or Japan), the consultant will need to make the time. If others are on flextime and work more hours on weekends than during the week, he will need to further adjust his schedule to speak or meet on weekends.

Therefore, the notion that clock time has become more irrelevant is somewhat of a mirage. It is true technology has allowed us to schedule matters based on personal

preference rather than personal location.<sup>13</sup> By anyone's standpoint, flexibility in scheduling is a positive, not a negative. Yet so called 24/7 access to technology is becoming mandatory, not optional. To the extent technology requires an individual to "show face time" through the virtual world of email and conference calls at rigid times, the individual is still working in a world where clock and event time are both relevant considerations. As Hassan notes, "Network time fundamentally changes our relationship with the clock-it doesn't negate it or cancel it."<sup>14</sup>

Even more critically, our current technological world makes it very difficult for an individual to act in a sequential time manner. The nature of email (without regard to other changes in technology or business practice) requires the recipient to juggle and establish priorities. Which emails should I return first? What happens if I don't return a particular email? Should my response be a phone call or personal meeting rather than by email? Should my email response include other persons not on the original email? Many of us make dozens of decisions of these types of decisions every workday. Few of us have the ability to work on a single matter without regard to the bombardment from others we know (let alone those who do not know us) who frequently expect a quick response to their inquiry.

A person who lacks synchronistic time skills has a difficult time in today's work environment. Time management is more important than ever in terms of managing clients, customers and fellow employees. Technology and down sizing of staff (in the corporate and nonprofit arenas) make it impossible for us to act as a silo who can control our time and calendar. It is the rare individual who can work on one matter at one time. Virtually all of us must engage in a daily juggle where we work on many different

assignments with many different individuals located in many different locations. In other words, managers and professionals must possess synchronistic time skills to be successful in almost any endeavor.

Moreover, the differences in monochronic/sequential cultures and polychronic/synchronic cultures in their views towards time are stark. A monochronic individual who is a slave towards punctuality and strict adherence to deadlines will have a very difficult time negotiating with a polychronic individual who is more concerned about the content, process and information flow in a meeting than whether the meeting starts and finishes on time. For example, an American negotiator who is meeting with a French counterpart must acknowledge the difference in their time cultures if he is serious about developing a long-term relationship. In my experience, polychronic individuals are even more rigid about their time culture than monochronic individuals. As a result, if an American is negotiating with an individual from a Mediterranean, Arab or Latin culture, it is pointless, barring extraordinary circumstances or a bona fide emergency, to attempt to unilaterally impose American concepts such as short negotiating sessions, rigid meeting schedules or short-term agreements on his counterpart. Use of such American concepts will be fruitless and counterproductive. In such cases, the typical American negotiator must adapt to local time norms; failure to adapt to such norms will not only likely result in no negotiated agreement, but will be viewed by the foreign counterpart as offensive on a personal level. Finally, although I discuss monochronic time concepts as involving foreign parties, the reality is that many Americans (particularly in the educational and counseling fields) are polychronic in their concept of time.

In concluding this chapter, it has become clear that an individual must recognize the differences in clock time and event time. He must know when to apply clock time concepts to a situation and when he can apply event time. He must recognize the time recognition skills (or lack thereof) of his fellow employees or opponents. He must know that the purported shift to event time concepts is somewhat illusory and needs to create clock time like boundaries in order to preserve some semblance of a normal life. He must adopt synchronistic time skills in order to deal with inevitable prioritization of daily and long-term matters. Failure to adapt to modern concepts of clock and event time, and synchronistic and sequential time approaches, will lead to failure to act in an economically efficient or culturally required manner. There is no rule of thumb as to when these concepts should be applied, but what is required is that the time aware individual recognize the difference between clock time and event time, or synchronistic and sequential time approaches, and apply the appropriate strategies at the right time.

## CHAPTER 3

### DIMENSION NUMBER TWO: TIME AS AN ATTITUDE THAT DETERMINES A PSYCHOLOGICAL STATE OF MIND

We all know individuals who act in a hurried manner and those who act as if time is an irrelevant concept. People who act constantly hurried may or may not make better decisions than those who act in a mellow manner. For some, the stresses caused by lack of time results in focus and effective decision-making. For others, the stresses caused by lack of time results in a lack of focus and poor decision-making.

We strive, as individuals, to view time in a relaxed state (by “slowing down” time) rather than a hurried state. Time appears to be more pleasurable and decisions appear to be more effective where our time is spent in a relaxed state rather than a hurried state. We believe we make better decisions when we are relaxed rather than stressed. Whether that is true is a different story. What is true is many Americans have attempted to adopt Asian religious and meditative practices found in Buddhism and Taoism to develop relaxed states of mind because they believe a relaxed state leads to better life experiences than a hurried state.

Conversely, others believe that stress can help them achieve better decision-making. They believe that a hurried state where time feels rushed enables a person to make better decisions. People who procrastinate or need an adrenal rush to achieve focus frequently desire a hurried state. For these people, a hurried state equates to an effective state, if not an outright happy state.

In certain circumstances, the ability to create a relaxed state creates is important, if not essential. A baseball player or tennis player needs to be in a relaxed state in order

to slow down reflexes needed to hit the ball properly. A lawyer who is arguing before a judge needs to be in a relaxed state in order to respond to an array of questions, some of which can be anticipated, but some of which cannot. A surgeon who is engaged in heart or brain surgery must be in a relaxed state during surgery not only because of the importance of the activity but because of the need to deal with a variety of potential unknown circumstances.

In other circumstances, the ability to self-create a hurried state is important, if not essential. Some salespersons create artificial tension prior to meeting with customers. Some athletes and entertainers create artificial time pressure BEFORE events in order to morph into a more relaxed state during the event.

I would argue that the more complicated or complex a situation, the greater the need for a person to “slow” down the situation. In other words, visualize and react in a calm manner. As Hassan and Purser note:

Sitting in that imaginary park, countless relationships with time are occurring all around. For example, by concentrating on the book, we can enter another time. We can be “immersed” in the temporality of its narrative, become part of it and its imagery, its scenarios and the issues it conjures up.<sup>15</sup>

Yet Hassan and Purser further elaborate:

It is impossible to carry this temporal complexity in all its growing fullness into practical life; we can't think about this stuff all the time, in other words. This is part of the reason, perhaps, for the human compulsion to order and control time, to rationalize it to make it manipulable and predictable so that our lives appear more stable. What we can do is to use a pared-back version of viewing the world through timespaces to become “time aware”, to have at the forefront of one's mind the temporal dimensions, making the implicit explicit as a matter of course.<sup>16</sup>

I agree with Hassan and Purser that it is impossible for anyone to control his or her time awareness as to “slow down” their environment all of the time. Other people require our attention and we cannot ignore their concerns and needs by focusing on slowing down our perception of time. In fact, if someone concentrates too frequently on their own time awareness, they risk coming off as narcissistic and uncaring. So the time aware person must understand the circumstances in which they slow down their perception of time. In other words, he or she must pick his spots accordingly.

Conversely, a person cannot constantly “speed up” time by creating a hurried state. Most individuals can cope with a reasonable amount of stress for a reasonable period of time. However, perpetual stress leads to personality conflicts and potential medical problems. Furthermore, while periodic stress is viewed as healthy, persons who make others feel like spending time with them seems takes “forever” are far less likely to have productive personal or professional relationships.

The most that can be said is that a person needs to understand those situations where it is appropriate to “slow down” or “speed up” time. Time aware individuals also need to not allow an immediately preceding event to impact their time awareness. A surgeon whose patient suffers a setback during surgery needs to not let that setback take him out of the “moment”. He needs to keep time moving slowly to react appropriately to the situation at hand. Likewise, if the surgeon is required to undertake a risky procedure and it turns out successfully, he needs to put euphoric thoughts out of his mind in order to maintain time equilibrium and finish the surgery successfully. Finally, the time aware person knows that sometimes she needs to speed up the reaction time. Sometimes, you

cannot slow down your time experience and shouldn't force a slow down. Rather, you need to use a well-developed gut in order to deal with certain time pressure situations.

## CHAPTER 4

### DIMENSION NUMBER THREE: TIME AS A STRATEGIC TACTIC

The effective use of time is a strategic tactic of utmost importance. When two parties in a relationship have different time horizons, the dynamics of the situation depend on which party knows how best to sequence events, use (or successfully deflect) time pressure and shape the other side's perceptions of time related costs. Think of negotiations where one side has a strong advantage in material resources and ends up achieving less in the negotiation than expected. Frequently, lost negotiation opportunities involve the inefficient use of time strategies or, more appropriately, the use of time as a weapon by an experienced negotiator.

Jay A. Conger recognizes the importance of preparation and time frames in preparing for a situation that involves either formal negotiating or the building of relational capital:

If persuasion is a learning and negotiating process, then in the most general terms it involves phases of discovery, preparation, and dialogue. Getting ready to persuade your colleagues can take weeks or months of planning as you learn about your audience and the position you wish to argue. Before they even start to talk, effective persuaders have considered their positions from every angle. What investments in time and money will my position require from others?<sup>17</sup>

In this chapter, I will investigate four different concepts of time as a strategic weapon. The first concept involves the timing of offers. The second concept involves the use of deadlines as an effective way of imposing time pressure on another party in order to achieve an advantage. The third concept involves analysis of time costs and constraints as impacting negotiating strategy. The fourth concept involves the

importance of shaping the other side's perceptions of time related costs in order to achieve a satisfactory negotiating result.

### Timing of Offers

In any relationship (whether new or existing), the old saying that “timing is everything” rings true. For example, assume that I am satisfied with my current supplier relationship and I would like to continue it. Further assume that my supplier agreement has another two years to run before expiration. Do I go to the other side to ask about negotiating an extension of the contract now while everyone is happy? Do I do it a year from now? Do I wait until a month before the contract expires? When I raise the issue of re-negotiation or extension of the contract with the other side, do I appear anxious (as if I am under severe time pressure) or relaxed (as if I am under no time pressure and have other alternatives)? Finally, do I attempt to ascertain the time pressures and timeframe of the other side before formulating my own negotiating strategy?

All these factors play a major role in development of negotiating strategies and the timing of offers. An initial offer made too early is often not viewed seriously, although in some circumstances it might be a strong strategic move. An initial offer made too late also might not be taken seriously since the other side may be offended the offering party does not have a high opinion of the relationship. The potential for significant misunderstanding results from differing timing expectations and the damage caused by such misunderstandings may never be breached.

Michael Watkins, a professor in negotiations at INSEAD, stresses the importance for a strong negotiator to formulate a time sequencing strategy. According to Dr. Watkins, a sequencing strategy can help the moving party create momentum in the

negotiation.<sup>18</sup> Dr. Watkins states that a party can take the lead in negotiations and achieve what is called a “first-mover advantage”, where the mover who approaches various counterparties in a specific order can obtain early success that can lead to greater results later in the negotiation.<sup>19</sup> In applying the Watkins’ approach, advance preparation of the timing of offers, counteroffers and information sharing takes on great importance. Clearly, where practical, the negotiator wants to “control” the time sequencing in a negotiation and obtain the first-mover advantage. But obtaining a first-mover may not be worth it if making or requesting an offer too early puts the other side in such stress that they withdraw from the negotiating process. The other side might still be in the “getting to know you stage” or “informational gathering” stage of the negotiation. These two stages are important parts of any negotiation and are necessary to determine whether both sides feel negotiations are worth pursuing to a satisfactory conclusion. Thus, Dr. Watkins is correct in suggesting the smart negotiator should adopt a clear time sequencing approach. However, whether such an approach should include a first-mover strategy depends on whether the parties have come close to concluding their relationship forming and informational sharing stages.

Staying on the concept of information gathering, Japanese negotiators, unlike their American counterparts, operate in a high context mode.<sup>20</sup> High context negotiators rely on cues beyond what they say in order to communicate information to the other side. Many high context negotiators tend not to establish trust with the other side before a strong relationship is formed.<sup>21</sup> Even in a trusting relationship, high context negotiators may feel uncomfortable about discussing what is truly important to them. As a result, Japanese negotiators often use offers as a mechanism to seek out what is important to the

other side.<sup>22</sup> In other words, rather than engage in discussions that might become confrontational (something Japanese abhor since their cultural norm is to avoid public displays of disagreement whenever possible), they attempt to determine what is on the mind of the other side by throwing out offers as a means of determining the goals of the other side.

On the other hand, Americans frequently avoid social niceties and start negotiations by exchanging information.<sup>23</sup> The American tends to be impatient and wants to exchange information early to determine whether the other party is interested in striking a deal. Thus, the American is more likely to wait until the last minute to start making offers and use time as a weapon to gain concessions. The differential in time approaches between the Americans and Japanese relate back to the differing views of relationships. The American views himself as having a high time cost (“time is money”) and manifests this outlook through the use of relentless time pressure to obtain a negotiated result. On the other hand, the Japanese also views himself as having a high time cost (“time is money”) from an opposite perspective. The Japanese looks at relationships from a longer timeframe than the American, so he is willing to invest large amounts of time getting to know his counterpart. The Japanese do this through the use of treating a negotiation as a relationship building exercise and, only after the relationship has been established, as a means to accomplish an objective.

The differences in time horizons between Americans and East Asians depend on the concept of relational capital. Brett and Gelfand note “in non-Western cultures relationships are the dominant motive and economic capital is the subordinate motive” while the opposite is true in Western cultures.<sup>24</sup> Brett and Gelfand further note, “once

relational capital is established, individuals work to maintain social harmony and to preserve their own and others' face."<sup>25</sup> Finally, Brett and Gelfand note that there is expectation of "payback" in interactions where relational capital is important. However, the payback in Western cultures is often explicit (and sometimes in the form of written contracts) while in Asian cultures the expectation of payback is implicit and assumed when one party needs the assistance of the other party.

So how does one reconcile these different time horizons in a relationship? Going back to the questions raised earlier in this chapter as to when one tries to extend a successful relationship, the time horizons of the parties play a critical role. If I am satisfied with a relationship, the time to signify the extension of the relationship is well before expiration, regardless of whether the environment is high or low culture. The manner in which the signal should be given is low key, not high energy. In this manner, I can ascertain whether the other side has similar time horizons. Even if the other party does not wish to entertain discussions of an extension at the present time, the signal to the other side is a powerful one and will require the other side to carefully their options in terms of relational capital.

The timing of an offer creates all types of signals. It conveys seriousness or lack thereof. It acknowledges the existence of relational capital or the need to improve relationships. It acknowledges whether the current economic relationship is in good shape or whether, in light of market or other conditions, adequate time must be given to reach a solution satisfactory to both parties. The time aware negotiator understands the use of timing of an offer is crucial in terms of the creation or maintenance of a solid long-term relationship.

### Use of Deadlines

The use of deadlines in a negotiation or relationship has all sorts of advantages and disadvantages. A firm deadline that is adhered to by the offering party will create certainty as to whether a transaction or relationship will move forward. On the other hand, deadlines sometimes create a hostile environment where the other side might, for irrational reasons, decide to walk away from a transaction or relationship that might otherwise be favorable. As Don A. Moore notes:

For negotiators with time costs, shorter final deadlines actually offer a double benefit. First, they limit the potential threat of delay by increasing everyone's interest in a speedy agreement. They can thus lead to more favorable settlement terms. Second, a final deadline caps the potential accumulation of time costs.<sup>26</sup>

Moore also notes "contrary to participants' intuitions, when their negotiation counterparts knew about their deadlines-whether by design or by revelation-they became more rather than less cooperative."<sup>27</sup> Moore's research also indicated "(S)ellers with the most time to negotiate had the worst outcomes."<sup>28</sup>

In the prior section, I argued that individuals be sensitive in terms of evaluating the timing of offers and other steps during a negotiation process. Deadline offers create an entirely new dynamic to a situation. A critical factor in the use of deadlines involves whether the deadline is a "hard" deadline and/or whether the other party really believes the deadline is "hard". There is nothing that signifies weakness in a negotiation more than a party that makes a "final offer" and gives a deadline only to capitulate after the deadline passes. Therefore, a time sensitive negotiator uses the threat of a deadline very judiciously and only when there is a clear strategic advantage in doing so or, as will be

seen shortly, he has severe time costs that require an immediate resolution of the situation.

We frequently see deadlines used in situations where negotiations between two parties who engage in a long-term relationship for which neither party has a reasonable alternative party in which to do business with. Labor negotiations are a perfect example. Neither labor nor management has reasonable options beyond a negotiated settlement. Yet both sides have important constituencies that they need to impress in terms of a settlement. Although truly visionary negotiators in labor disputes attempt to settle disputes through the use of negotiations without the threat of deadline, the reality is most participants in labor disputes tend to fight for concessions due to the large stakes involved. Also, the cost of time delay during the early part of labor negotiations is very low (labor continues to work until the contract expiration date) so there is even less incentive on the face to negotiate at a more leisurely pace. Thus, labor disputes tend to get settled only when faced with a firm deadline (and even not always then due to strikes).

Another example of effective deadlines occurs in the diplomatic arena. Just as in labor negotiations, diplomatic negotiators in areas such as trade face counterparts who are interested in a successful negotiation, but whom due to domestic political pressures or lack of urgency, do not move negotiations along at a fast pace. The shrewd diplomat reads the reasons for slowness on the other side and, at the appropriate time, throws out a deadline in order to create the sense of urgency needed to move the negotiations to a final settlement that benefits both parties.<sup>29</sup>

The reality is that deadlines are like dynamite; they serve an important role, but must be handled with significant care. When used properly, a time sensitive party can use a deadline to create the relevant sense of urgency or determine whether the other side is truly interested in a negotiated solution. Of course deadlines should generally be used when a party has multiple favorable options or when the financial costs of delay are severe. But generally a deadline request too early in a relationship or negotiation has the potential of injuring the relationship or even terminating it. Moreover, a premature deadline request is likely not to be viewed as sincere by the other side, thereby rendering the deadline moot and, even more importantly, creating serious doubt on the part of the other side as to whether his counterpart is serious, trustworthy or has the capacity to carry out his end of the bargain. Thus, the element of deadlines and time are very important for individuals and organizations that wish to be self aware in terms of the strategic use of time in negotiations.

#### Time Costs and Constraints

None of us have unlimited time (regardless of whether time is measured on the basis of clock or event time). As Moore appropriately points out, “time costs make the passage of time costly.”<sup>30</sup> Moore notes, “when negotiators face different time costs, the agreements that they reach tend to favor the party with lower time costs.”<sup>31</sup> Conversely, Moore notes “the party with lower time costs can more easily threaten delay in order to extract concessions.”<sup>32</sup> Finally Moore observes “negotiators with higher time costs benefit more from shorter final deadlines.”<sup>33</sup>

In a cross-cultural environment, time costs become an important element in the dynamics of a negotiation. American negotiators tend to place a very high value on time

and operate in a manner in which a negotiation should have a definitive beginning and end.<sup>34</sup> Many Asian, Middle Eastern and Mediterranean negotiators place very low value on short-term time costs. They also view time as a very important concept, but look at the relationship with a much longer perspective. They view the expenditure of time in the present as necessary to determine the amount of time they wish to spend with their counterpart in the future. On the other hand, the Americans tend to view relationships on a “real” time basis; a relationship that works today may not work tomorrow so I ought not to “waste” time by engaging in social and other niceties that may have little value in later periods.

Mainstream American views of time as a critical short-term resource causes major problems, whether in negotiations with other Americans who have lower time costs or foreigners whose short-term time costs are lower. As Moore’s research showed, the party with higher time costs frequently is forced to make concessions in order to reach an agreement, especially if they have few alternatives to a negotiated solution with the party with whom they are presently negotiating. On the other hand, where short-term time costs are really illusory, a traditional American negotiator can put aside his normal instinct to act quickly and take a more leisurely approach towards the negotiating process in order to better solution.

Where time costs are truly quite high, it is important to note Moore’s observation that a negotiator with a high time cost can force the situation through the judicious use of a firm final deadline. Communicating high time costs to the other side coupled with the use of a final deadline conveys honesty to the other side and may result in reciprocity. For example, if I am in a negotiation with a French counterpart and I am truly in a rush to

negotiate a deal for bona fide business reasons, I am far better off telling my counterpart of my time constraints and the reasons behind them. The faster the other side realizes I am not playing “games” through the artificial communication of time costs or deadlines, the faster the parties can determine whether a deal is reachable. This doesn’t mean the other side will capitulate or even use their lower time costs as a means to do away with their traditional approach to working in a synchronistic manner of time. Rather, once the parties get their time horizons on the table, this enables each side to better probe the other’s intentions without the gamesmanship that often occurs in cross cultural negotiations.

Another way to reduce the impact of time costs is actually reduce the cost of time itself. When engaged in a negotiation that is likely to take significant amounts of time, the time savvy negotiator should set aside as much time as possible to achieve a favorable resolution. In other words, if I am going to Japan to negotiate a contract, I don’t give myself 48 hours to finish the job. Rather, I conservatively anticipate the amount of time it is likely to take to negotiate the contract, add at least 25 percent to my original estimate and plan accordingly. As Americans, we tend to overvalue the worth of our short term time, especially in situations where relational capital is important. Looking at relationships from a long-term perspective, we should recognize that time invested in relationships is just as important as time invested in plant and equipment. Our counterparts, especially those from overseas, are more likely to negotiate a favorable contract if they notice we are making an attempt to view time costs from their perspective. This doesn’t always mean that both sides are always going to meet in the middle in terms of their time costs; sometimes there is too large a gulf in terms of time

expectations for the parties to reach a solid agreement. However, failure to recognize and adapt to the time costs of counterparty will frequently result in failed negotiations or failed implementation of negotiated settlements.

One final point involves the use of delay as a means to deal with differing timeframes. Delay brings with opportunities and costs depending on the circumstances.

As H. Peyton Young stated:

When is it desirable to drag one's feet, to seek delay? Delay is costly because of the impatience factor—a benefit now is generally preferred to a similar benefit in the future. Pushing off an agreement, therefore, causes it to lose value for everyone concerned. Nevertheless, it may pay some party to delay if he or she thinks that this tactic will wring a concession from the other side that outweighs the loss associated with delay.... While delaying tactics may be rational, the result can be very costly overall.<sup>35</sup>

The concept of delay will be discussed at greater length in Chapter 6.

### Shaping the Other Side's Perceptions of Time Related Costs

In the previous section, I discussed differing time related costs among parties and how to adapt. There is another way to change the other side's perception of time costs that involves more than merely disclosing your needs to the other party. This involves proactively shaping the time game in your relationship.

Michael Watkins and Susan Rosengrant are experts in international negotiation. They understand the role of time in any cross border negotiation. They believe strongly that a skilled negotiator does not merely negotiate through words or actions at the bargaining table, but through actions away from the table and through changing the game through changing perceptions. Watkins and Rosengrant observe:

There are two ways to shape your counterparts' perception of time-related costs by convincing them that you have all the time in the world or by making them alarmed about their own costs. During the 1969-1973 Paris

Peace Talks designed to end the Vietnam War, the North Vietnamese delegation rented a house in Paris for two years, thereby sending a powerful signal: We're in no rush...What about you? The Vietnamese knew that U.S. leaders were facing growing domestic opposition to the war and that time in that sense was on their side.<sup>36</sup>

I am a great believer in shaping the tone of negotiation, especially in the manner in which time is used as a weapon, but I feel that there are five, not two, ways to shape the other side's perception of time-related costs. The first two approaches are identical to Watkins and Rosengrant, but the remaining three approaches reflect my views:

1. Convince the other side you have all the time in the world to conclude a negotiation.
2. Convince the other side that they will incur substantial time or other costs if they fail to reach a quick settlement.
3. Convince the other side your patience by disclosing you have excellent alternatives to a negotiated solution with the other side should negotiations drag on.
4. Convince the other side that you have strong resources to wait out a protracted negotiation.
5. Work with third parties to put pressure on your counterpart in an effort to increase the time costs on the counterpart for failure to act promptly or reasonably.

The time aware individual understands that the person who shapes the time game in a relationship or negotiation is likely to have the upper hand in the relationship or negotiation. He separates emotion from reason in developing deadlines and delay tactics. He sets deadlines where there is a real tactical (not emotional) advantage and avoids them

where there are possible tactical costs. His sequencing of negotiating tactics is well thought out. He works hard to eliminate those material constraints that might force him to reach agreement during an inappropriately short timeframe. He spends substantial time understanding the cultural reasons his counterpart may have different time outlooks and tries to work with and around these time differentials. He knows when working with third parties can influence the time dynamic in a relationship with the current party. Most of all, the time aware negotiator is attuned to his time issues and those of his counterpart in terms of developing a negotiating strategy that sequences the negotiation in a way that first maximizes the total economic return to be split among the parties and then allocates potential economic or political return on investment to your side.

## CHAPTER 5

### DIMENSION NUMBER FOUR: TIME AS AN IMPORTANT COMMODITY THAT CAN BE BOUGHT OR SOLD

We have all heard the phrase that “time is money”. The phrase “time is money” was coined by Benjamin Franklin in 1748<sup>37</sup> and represented an acknowledgement of the ruthless time efficiency (often at the cost of human health and lives) of the Industrial Revolution. The study of economics and finance confirms this notion.

A brief discussion of discount rates and their applicability to time as a commodity is relevant here. From an economic perspective, a rational actor determines the cost of money based on his potential rates of return on invested funds. In doing so, a dollar today is worth more than a dollar one month, one year or one decade from now. You don’t need to be an economist to understand this concept; if I invest a dollar today in a no risk US Treasury Bond, I will obtain a positive rate of return, whereas the receipt of a dollar one year from now represents a zero rate of return. My personal discount rate is determined by looking at what my acceptable rate of return is given my time horizon. For example, I might have a 5 percent discount rate on investments of two years or less, a discount rate of 10 percent on investments of ten years or less and a discount rate of 15 percent on investments with duration of more than 10 years. The discount rates might even be higher if I am negotiating with a party whose expected performance is riskier than usual.

In applying discount rate concepts to the valuation of time, Americans tend to place a higher discount rate on short-term relationships than foreigners. In non-economic terms, an American will value current time as a precious resource that will be wasted if

the negotiation or relationship is not established in a short period of time. Conversely, a Frenchman or Japanese negotiator will value current time as a less precious short-term resource, as they are willing to spend the time needed to establish a relationship and understand that some preliminary discussions never get to the negotiating stage. Thus, an American might view his “time” as worth \$X per hour for short-term negotiating, while his foreign counterpart might view his “time” during the same negotiation as worth \$.70X per hour for short-term negotiating. However, if the American and foreign negotiator can overcome their short-term time discount rate differences and ultimately reach agreement, issues of long-term discount rates rarely interfere in the relationship since, in my general experience, expected long-term discounts rates generally fall within a narrow range across borders.

Putting aside notions of present value in terms of personal and professional relationships, we frequently engage in “buying time”, without even realizing it. The obvious example is if we ask for an extension to finish a project. The request may not be accompanied by an explicit quid pro quo, but the recipient who is asking for an extension recognizes that buying time has consequences. A person who frequently asks for extensions is viewed as someone who does not know how to manage time properly. Thus, buying time in an informal manner in the workplace brings with it collateral issues and generally happens in a judicious manner.

Another subtle form of buying time involves tradeoffs. For example, assume a husband is eager to start a family, but his wife is going to medical school. The wife and husband may agree to put off having a family while the wife is going to medical school. The wife has bought time to start a family and in exchange the husband has assurance

that the wife will hold up her end of the bargain once medical school ends. These types of informal agreements where one party buys time today by promising to do something in the future happens frequently. In contract law, we call such a promise legal “consideration.”

More explicit purchases of time occur with great regularity. I pay additional money for faster service, whether for Internet connections, package delivery or to stand in a special (and faster) line in Disneyworld. I can spend money to acquire an option to acquire a financial instrument or piece of real estate at a specific price for a definite time period. I can spend money to fly to Philadelphia on a private plane that will cut 90 minutes off my roundtrip schedule. I can agree to work an extra two days next month in exchange for getting one day off this month to see my daughter’s school play.

These examples all show that we, knowingly or unknowingly, view time sometimes as a commodity that can be bought or sold. The value we place on time varies depending on the circumstances. In some circumstances, time may not be viewed as having much value (although this really depends on the financial circumstances of the actor). For example, cutting 90 minutes off my trip to Philadelphia might have only modest value to me given my financial position and my ability to put up with the hassles of modern air travel. However, if I am Donald Trump, saving 90 minutes of airport and airplane time might be worth the additional cost of private flight since from an economic standpoint, his business time is worth more than mine. In other situations, time might be viewed as having unique value to me, but not others. For example, swapping time to see my daughter’s play shows that I am willing to place a value of an additional day of work in order to derive personal enjoyment of this type.

What we can say is that the “value” of time and what we are willing to pay for “extra” time or to “save” time depends on the facts and circumstances. Time is worth more or less depending upon my financial means and my time reservoir. The richer I am, the more time I can purchase through paying others to provide faster service or services that I do not wish to undertake. The more time I spent on mandatory activities at work or in other parts of my life, the more I am willing to pay to purchase more leisure time. Conversely, the poorer I am, the less time I have the ability to purchase. Likewise, if I am retired or have lots of free time, my time reservoir is greater and I am less willing to spend money to purchase what I call convenience time.

The takeaway from this chapter is that the time aware individual needs to calculate the value of time in different situations. He or she needs to assess whether the costs of buying additional time will create a potential benefit worth having. Remember that the acquisition of time is not a costless exercise, if it was everyone would do it. The value of time can be measured in economic terms just like any commodity. In fact, time is valued in economic terms by the marketplace everyday.

When it comes to one on one negotiations or relationships, the negotiation of the value of time becomes trickier. In de novo negotiations, the value of time is frequently different among the participants. Therefore, the differing value of the parties in terms of time can cause major roadblocks during negotiation. If one party is willing to perform in 60 days but the other party needs the performance in 30 days, this time expectation needs to be bridged in order to conclude the negotiation successful. The economic cost of the 30-day faster performance can be calculated and if the other party is willing to pay for the faster performance, a deal can be struck. However, there are long-term non-economic

costs in promising to sell time to another party. The other party may assume that I can sell “fast time” on a favorable basis more frequently. The other party may not understand the limit of the amount of fast time I can sell to him. The other party may not understand there might be a limit to the amount of fast time I even want to sell to him, at any price.

The point is that where time represents a commodity that can be bought and sold, a party must not only calculate the value of time to him and the other side (through discounting and other measures), but he must also must calculate the message conveyed to the other side in even raising the possibility of using time as a commodity.

Negotiations are about managing expectations and the time aware negotiator is careful to not over promise or under deliver in terms of time expectations of performance.

## CHAPTER 6

DIMENSION NUMBER FIVE: TIME AS SOMETHING THAT CAN  
BE TEMPORARILY STOPPED IN PLACE

Although time can never stand still from a scientific or clock perspective, we have the ability to “stop” time through our actions. In sports, a team can call a “timeout” and then continue play without penalty while in the same physical place as prior to the timeout. We can pause television shows through the use of TIVO. In many instances, we can put aside what we are doing at the present time and pick up the task later. These are just some of the ways in which we stop time.

In negotiations and relationships, we also have the ability to stop time. In some instances, we literally refer to stopping a discussion or negotiation as a timeout. In other instances, we refer to stopping time as a delay. The point is that stopping time in a negotiation or relationship has consequences, sometimes intended and sometimes not.

Barry O’Neill argues that delays can be a double-edged sword:

Delays may be more acceptable as coercive moves than escalations or threats because holding back seems less actively hostile. On the other hand, they can sometimes raise doubts about whether you really want an agreement and sap the other’s motivation to compromise. One strain of research treats them as signals about one’s goals. Delayers hurt themselves to prove to the other party how much they want a favorable agreement...Green and Laffont (1988) attribute a constructive purpose to delays. Delays do not cost the bargainers directly, but if both delay too long the negotiations will end.<sup>38</sup>

Calling a timeout or asking for a delay has major consequences. As O’Neill notes, delay can have the same impact as a threat since it informs the other side that we don’t wish to negotiate or speak with them right now. But when negotiating with East Asians or others for whom the notion of face is very important, the use of delay as

evidence of expressing disapproval or concern can be a very effective. Delay as a face saving device might give the other side the ability to come back with an appropriate response or counteroffer or it might be a way for the parties to gracefully end a relationship or negotiations. Learning from East Asian colleagues, I frequently use delay as a gentle means of telling the other side that I am no longer interested in further discussions.

But when delay is used for the purpose of stalling, but not ending negotiations or a relationship, the costs and benefits of delay must be carefully ascertained. If I propose a delay in a negotiation, I have to first determine how long of a delay. A day? A week? A month? The reason why the length of the delay is so critical is because the parties can use the delay for a variety of different reasons. If the purpose of the delay is to merely let the parties let emotions cool down for a short period of time before a quick resumption, then a very short delay is appropriate. Critically, a short delay sends a message that the parties wish to have reason predominate over emotion and they are wedded towards moving towards a satisfactory resolution of their dispute.

The longer the proposed delay, the more proponent of delay needs to determine the costs and benefits of delay. From the proponent's standpoint, a delay allows him to methodically rethink negotiating strategy. The delay allows him to determine whether to continue with this negotiation. The delay gives him the opportunity to determine whether there are other parties worth negotiating with. The delay permits the negotiator to look carefully at his current resources and whether he can gather additional resources during the timeout period. The delay gives the negotiator time to further minimize costs of concluding an agreement with his counterparty.

On the other hand, a delay gives the other side the ability to do the exact same things as you can. The real question is whether the other side is as likely to use the delay from an analytical perspective as you will. If so, the benefits of the delay may not be that great. Thus, you need to look at the benefits of delay from your perspective in order to determine whether the benefits you will derive will exceed (1) the costs of delay to you and (2) the aggregate benefits that the other side will gain from the delay. If the perceived benefits to be obtained from the delay are greater than your perceived costs, then you should propose a delay, so long as such benefits are perceived to be less than those obtained by the other side due to the delay. However, if the perceived benefits to be obtained by the delay are greater to the other party, then you should call a quick timeout and consider whether (1) to continue with protracted negotiations or (2) establish a quick deadline to resolve the negotiation once and for all.

Another issue is whether the proponent of the delay should disclose the reasons for proposing the delay. More often than not, there is good reason for the proposing party to disclose the reason for a delay. The reality is that the other side is likely to ask for the reason(s) for the delay and the proposing party is left with either disclosing at least some of the bona fide reasons, remaining silent or lying. Putting aside morality, lying is rarely a good negotiating tactic as the inevitable discovery of a lie can lead to a permanent breach of trust among the parties. Silence might be an appropriate response from an ethical standpoint, although the other side might question the motivation of the proposing party or the true need for a delay. Therefore, when a party proposes a delay in a negotiation, he ought to be prepared to explain, in cogent terms, at least some of the reasons why the delay is being proposed; failure to do so may result in the other side

rejecting the delay or, even worse, use the proposed delay as a reason to abandon negotiations.

In all cases where a delay is designed to stall (and not terminate) a negotiation, the proponent of the delay must make it clear at the time he proposes the delay that he intends to restart negotiations immediately after the agreed upon delay period. This point cannot be understated. Many counterparties view the proposal of a delay as a sign that their counterpart is no longer serious about their negotiations. The proponent of a delay has a strong burden to convince the other side that he is serious about the relationship and is not using the delay to get out of the negotiation. In fact, from a tactical standpoint, it is appropriate to strongly consider whether to couple a delay request with a deadline request. In other words, consider asking for a delay, but make it clear that when you come back to the negotiating table, the parties should have a short period of time in which to take advantage of the delay. The delay/deadline approach gives both parties a chance to muster their best reasons and resources to reach a negotiated settlement and then come back to the table to ascertain whether common ground can be reached. The reality is that if the parties cannot, within a quick period of time after resuming delayed negotiations use the time to develop a negotiated settlement, generally no amount of additional time will result in the parties ever reaching a satisfactory agreement.

## CHAPTER 7

## DIMENSION NUMBER SIX: TIME AS AN IMPORTANT REFERENCE POINT

Time can be defined not only in terms of how long it takes to get something accomplished, but also in more ephemeral terms. We frequently speak about being in the present and trying to shape the future. However, to some degree, we all look at time in the past tense. To a certain extent, we analyze the past to glean insight into the present. Depending upon our background and cultural attributes, we might believe that the past can act as a predictor of the future.

The amount of emphasis we put on past events as a predictor of current or future events depends on the facts and circumstances. Some of these facts and circumstances involve cultural or country attitudes. Trompenaars and Hampden-Turner write about the influence of the past, present and future based on country of residence. For example, the British see the past in reverent terms, but are future oriented. The Chinese place equal value on the past, present and future, but do not view the three as interrelated. The Japanese view the past, present and future as linked, but place more emphasis on the present and future. The Russians do not believe there is a connection between the past, present and future, but view the future as far more important than the present or past. The French, not surprisingly, view the past, present and future as interrelated, but place a very high emphasis on the past. The Germans, while also viewing the past, present and future as interrelated, place the highest emphasis on the present. Finally, Americans view the past, present and future as interrelated, but place the least emphasis on the past, middle emphasis on the present and a large emphasis on the future.<sup>39</sup>

Trompenaars and Hampden-Turner also look at the time horizon of individuals who reside in various countries. In particular, they looked at how long the “long-term” horizon of different nationalities was and what the length of the past horizon might be. The results were predictable. East Asians, the French, the Russians and the Swiss had the longest time horizons. The Anglo Saxon residents had the shortest time horizons. In terms of the length of time in which past horizons impact present thinking, the converse was generally true. Past horizons had little impact on Anglo Saxon residents. Past horizons had a significant impact on East Asian residents, the Germans and Israelis (the influence of past events on the Germans and Israelis is understandable and interrelated).<sup>40</sup>

The following narrative from Trompenaars and Hampden-Turner succinctly sums up the impact of culture on business negotiations:

Our time horizon significantly affects how we do business. It is obvious that the relatively long-term vision of the Japanese contrasts with the “quarterly thinking” of Americans. This was shown in a striking way when the Japanese were trying to buy the operations of Yosemite National Park in California. The first thing they submitted was a 250-year business plan. Imagine the reactions of the Californian authorities: “Gee, that is 1000 quarterly reports.”<sup>41</sup>

Not all observers believe that what happens in the past has an influence on what might happen in the future. The philosopher Karl Popper was a strong believer that past events cannot be interpreted in a manner that assumes history will repeat itself. Popper summarizes his point of view as follows:

Our main point is very simple: it is difficult enough to be critical of our own mistakes, but it must be nearly impossible for us to persist in a critical attitude towards those of our actions which involve the lives of many men. To put it differently, it is very hard to learn from very big mistakes.....The reasons for this are twofold; they are technical as well as moral. Since so much is done at a time, it is impossible to say which particular measure is responsible for any of the results; or rather, if we do attribute a certain result to a certain measure, then we can do so only on

the basis of some theoretical knowledge gained previously, and not from the holistic experiment in question.<sup>42</sup>

Popper's argument has some level of intellectual appeal. No two circumstances are alike from a factual and environmental standpoint. Given changed circumstances, it might be folly to assume a particular event that occurred in the past might also occur in a different setting. Thus, a rational actor should not blindly assume that merely because the other party acted in a particular manner in a past negotiation or relationship, they will act in a comparable manner today or tomorrow

However, Popper fails to acknowledge the psychological biases that affect us all and it is a rare individual or organization that is not impacted by the past history of a past relationship with a party when dealing with that party presently or when considering the future relationship with that party. Sometimes the old saying that "past events are indicative of future behavior" is true. Most of us would not ignore aberrant or deliberate behavior of another party when formulating our approach in dealing with them in the present or in the future. But there is a difference from taking a party's past behavior into account in terms of dealing with that party and assuming, without further thought that the other side will always act in such a manner in the future.

We also cannot disregard our own past time. Past time makes us who we are today. We can acknowledge our past time and view it in a manner that allows us to change who we are or what we do if we so choose. Whether we focus on events of 30 years ago or yesterday, we need to recognize the influence of our past on the present. Once we do that, we can focus on the present and future in terms of time.

Once we ascertain the impact of past time on our counterpart and us in the context of a relationship, we try to shape future time. We undertake actions today that will have

an impact on the future. Each of us have a different orientation as to the future we try to create. For some it might be a week, for others it might be 10 years. But it is a rare individual who lives solely in the present, concepts of Zen and Buddhism notwithstanding. In fact, living in the present is fine (as discussed earlier in this paper) where the situation requires calm, yet intense, focus.

From the standpoint of analyzing time in terms of past, present and future, there are no heuristics or rules of thumb. By necessity, in a majority of circumstances we must focus on the present. Our jobs, our families and our circle of acquaintances require our immediate attention. There is no future without a successful present. However, man cannot live on present time alone. Planning and dreaming about the future makes present time more tolerable, especially the more mundane aspects of life. Thus, the old saying “live for the present” means living in part for the future as well.

In concluding this chapter, I note that a time aware individual places due weight on past, present and future time depending on the facts and circumstances. Any one of the three time concepts may place a predominant role in shaping actions in any moment in time. The time aware individual examines his own background and needs in terms of evaluating his time approach but also attempts to ascertain the background and needs of his counterpart in terms of their time approach. If I am future oriented in terms of my current negotiation and my opponent is more present oriented, I need to structure my negotiating strategy in a way that meets my future needs and my opponent’s immediate needs. Conversely, if I need an immediate present return and my opponent is more future oriented, I will need to swap some future profits for immediate gain. The point is that

time orientations, whether the impact of past behavior on present actions or the need to address future needs, influence our outlook and relationship strategies.

CHAPTER 8  
ANALYSIS OF THE SIX DIMENSIONS OF TIME THROUGH  
THE PRISM OF THE CUBAN MISSILE CRISIS

The Cuban Missile Crisis is generally regarded as a period in which the world came closest to nuclear war. Although the Soviet Union ultimately capitulated and removed nuclear missiles from Cuba, the result could easily have been disastrous. In this chapter, I intend to analyze the actions of President Kennedy in terms of the previously discussed six dimensions of time. As will be seen, President Kennedy's shrewd use of time was primarily responsible for a peaceful resolution of the Cuban Missile Crisis.

On the morning of October 16, 1962, President Kennedy was informed by his National Security Advisor that the reconnaissance flights over Cuba indicated that the Soviet Union was constructing nuclear missile sites on Cuban soil. During the crisis, neither President Kennedy or his advisors could be certain that nuclear missiles were actually on Cuban soil, although their analysis and actions assumed that such missiles were under Soviet control on Cuban soil.

For the next twelve days, President Kennedy and his senior advisors deliberated carefully over the response of the United States over this provocative action by the Soviet Union. President Kennedy, more than any of his advisors, recognized the linkage between his potential responses, the potential Soviet responses (in particular President Kennedy was concerned that some of the potential United States actions could lead to a Soviet occupation of West Berlin, which itself could have led to a separate nuclear confrontation) and the military and political concerns of European and Latin American allies. In evaluating each of these potential responses and the linkages, President

Kennedy masterfully used each of the six dimensions of time in a thoughtful manner that was designed not just to achieve the objective of the peaceful removal of the nuclear missiles, but doing so while preserving Western interests in West Berlin, political stability in the United States and the balance of military power throughout the world. Critically, President Kennedy's sole objective was to achieve his military and diplomatic goals through a negotiated settlement.

Ernest R. May and Philip D. Zelikow transcribed secret tapes recorded by President Kennedy and published the transcripts in the book The Kennedy Tapes: Inside the White House During the Cuban Missile Crisis. The book is over 800 pages long and it is impossible to summarize in this Capstone Paper the complete methodology used by President Kennedy in his successful resolution of the crisis. From October 16 through October 20, the President received more concrete information that the missile base construction was continuing unabated. Among the President's advisors, most were advocating a quick invasion of Cuba, first in the form of an air strike and then an invasion of troops, both without giving the Soviet Union any warning. A few of the President's advisors, including his brother Robert, the Attorney General, argued that a first strike prior to some level of diplomatic activity was inconsistent with American values and could be construed as the American version of Pearl Harbor. The President also was very concerned that any action to be taken by him that was not viewed as firm by the American political leadership, his military leadership or the rest of the free world could lead to greater Soviet aggression and even his possible impeachment. Thus, President Kennedy had many factors to consider in formulating his responses.

By Saturday October 20, the President had decided on an initial course of action described by May and Zelikow:

President Kennedy has emerged from the meeting from the meeting midway between the “hawks” and the “doves.” He has rejected making any offer to negotiate, at least for the time being. He has come down in favor of a blockade, now to be labeled as quarantine. The blockage is to be coupled with a demand that Khrushchev remove the missiles, with at least an air strike (a narrow one, President Kennedy hopes) readied if Khrushchev does not comply.<sup>43</sup>

Over the next seven days, President Kennedy sold his approach to the American public and political leadership and foreign allies. He supervised a blockade designed solely to prevent the passage of military goods to Cuba and was firm in applying the blockade (no Russian ship attempted to break the blockade). He gave the armed forces the go ahead to prepare for possible military action against Cuba (and set a potential date of October 30 for an air strike if the Soviet Union did not publicly state they would remove the missiles). He started diplomatic entrees with the Soviet Union and communicated with Khrushchev in measured but firm terms regarding the removal of the missiles. Until the end of the crisis, Kennedy’s messages were not framed in negotiating terms, but in terms that the United States’ position was that the missiles must be removed immediately without any quid pro quo or precondition. But Kennedy’s approach was very measured. He never gave Khrushchev an absolute deadline (although he had his own internal deadline as to when to use military force to remove the missiles) but used vague, but unmistakable, language to convey his grave concern over the Soviet actions and the urgency of the situation. As such, he gave Khrushchev the ability to save face among members of the Soviet leadership and retain diplomatic some diplomatic options. By not confronting Khrushchev explicitly (in public or private) Kennedy was ultimately

able to get the Russians to remove the missiles from Cuba through backdoor diplomatic efforts undertaken by his brother than resulted in a nonaggression promise against Cuba and a secret quid pro quo for the removal of unnecessary US nuclear missiles located in Turkey approximately six months after the end of the Cuban Missile Crisis.

How did President Kennedy use the six dimensions of time in order to successfully conclude the Cuban Missile Crisis to a peaceful resolution that resulted in no meaningful concessions by the United States? Before I get to the application of the six dimensions of time, I want to refer back to the discussion of patience I developed in the introduction. I referred to patience in terms of (1) waiting for the right opportunity to come along, (2) recognizing how long a goal might take to get accomplished and (3) recognizing that you are engaged in a multistep process. President Kennedy showed extraordinary patience under extraordinary stress. Rather than taking his advisors' initial suggestion to bomb Cuba in response to the discovery of the missile sites, he kept steady pressure on Khrushchev without being overly confrontational. When the time was right, after the blockade was implemented effectively, but before any final air strike, he offered Khrushchev the ability to save face through the delayed removal of US missiles in Turkey. If such an offer had been made early in the crisis, certainly before the blockade, it would not have been enough to end the crisis. Thus, the President was rewarded for his patience in terms of understanding the right moment to introduce a realistic proposal to Khrushchev. As for recognizing how long the crisis might go on in order to accomplish the goal of removal of the missiles without US military action, President Kennedy balanced the urge for immediate action against the knowledge that the crisis could not go on for a long period of time without the missiles becoming fully operational. He knew

that his steady, but firm, escalation of the US response was designed with one purpose in mind: Removal of nuclear weapons from Cuba. He fully understood that if the missiles could not be removed through the use of the blockade and diplomatic efforts, they would ultimately need to be removed through military force, even if that resulted in a possible nuclear confrontation. Thus, President Kennedy had a strong sense how long it would take to achieve his goal through potential military action. Finally, President Kennedy truly understood his actions were multi-step in nature. From his steady escalation (stepping up reconnaissance flights, building up military readiness without invasion, the ordering of and sensitive implementation of the blockade, the sensitive response to rambling Khrushchev communications and finally the right moment to introduce a face saving measure to Khrushchev) to his internal linkage of his actions and any potential Soviet actions to the situation in West Berlin and the potential military and diplomatic consequences of any action against Cuba to the citizens of West Berlin and Western Europe as a whole, President Kennedy demonstrated patience by evaluating each action in the Cuban Missile Crisis as having direct consequences not only in terms of American security in the Western Hemisphere but in terms of Western European security as well. For although President Kennedy's primary concern was for the security of the United States, his multi-step analysis was designed almost as much to protect the security of Western Europe and the less than one million residents of West Berlin in particular. President Kennedy's linkage of actions he could control with potential actions of others that he had limited or no control over was masterful and led to the successful and peaceful resolution of the Cuban Missile Crisis.

Turning to the application of the six dimensions, the first involves time as a measurement of activity. Kennedy recognized the crisis involved a blend of responses that treated time both in terms of clock time and event time. In a literal sense, there was no clock that told Kennedy exactly when he needed to have the missiles removed, peacefully or forcibly from Cuba. Some of his hawkish advisors wanted to turn this into a clock event by giving firm deadlines but Kennedy resisted. He viewed the crisis as one continuous event without a firm deadline (he thought giving Khrushchev a firm deadline, other than a deadline involving the implementation of the blockade, would escalate the crisis). Yet Kennedy was not so naïve as to ignore the clock. He knew the longer that the missiles were in Cuba, the greater the likelihood he would be forced to take military action by a fixed date. He knew that the American people and the rest of the world would not wait indefinitely for a peaceful resolution of the crisis. So Kennedy knew that while his actions treated the crisis as events on a continuum, the clock was ticking and his responses needed to acknowledge the resolution of the crisis by a time certain. In fact, the United States would have almost certainly started air strikes against Cuba within a few days after the actual end of the crisis had Khrushchev not accepted Kennedy's face saving proposal. Thus, Kennedy used notions of clock and event time in terms during the crisis.

The second dimension of time treats time as an attitude that determines a psychological state of mind. To say that tensions were high during a potential nuclear holocaust was a gross understatement. Yet President Kennedy and most of his advisors retained a cool equilibrium during the entire crisis. He recognized that both our political leadership, the American public, foreign leaders and foreign citizens and, most of all, the

Soviet leadership, were watching to see whether he could remain cool but forceful during the crisis. President Kennedy surely knew that any sign of anger or impulsiveness would be viewed as a sign of weakness (in fact Khrushchev was expecting the “young” President Kennedy to make a strategic mistake). President Kennedy’s exhibition of calm and deliberative thinking and actions during the crisis gave the entire world confidence that he was a thoughtful leader. Conversely, think of the outcome of the crisis if President Kennedy had acted in a rushed or hurried state. The likelihood is the solution would have been military in nature with unknown consequences that might have resulted in total destruction of the United States and Soviet Union. President Kennedy’s use of time to slow down his reactions in a calm and steady manner is the ultimate demonstration of how thinking of time as creating a state of mind can be critical in crisis situations.

The third dimension treats time as a strategic tactic. In other words, the timing of your actions plays a huge role in the success or failure of your actions. In the case of the Cuban Missile Crisis, President Kennedy’s timing was vitally important to the peaceful resolution. During the first week of the crisis, he could have immediately confronted Khrushchev with his knowledge of the missile sites. He could have immediately ordered military action to remove the sites. He could have disclosed our knowledge of the sites to the American public. Any of these actions might have foreclosed the ultimate diplomatic solution of the crisis. As a result Kennedy did none of these things. He understood the timing and sequencing of events was vital to an acceptable solution, which in this case was the peaceful removal of the missiles from Cuba with no meaningful diplomatic retreat in other parts of the world. In terms of sequencing, Kennedy properly understood

that confronting Khrushchev before establishing the blockade would serve no useful purpose. By undertaking the blockade as the first military step, Kennedy saw this as showing force in a firm and defensive manner that did not result in the United States being viewed by the Soviets or other foreign countries as the provocative party. By waiting to inform the American public until he decided on his military and diplomatic strategy, Kennedy made it difficult for opponents to fight against his plan as he knew there was a natural tendency of most Americans to support the President during times of crisis, especially one as grave as this. Moreover, after the original actions (the blockade, communication with Khrushchev and the American people), the President continued to evaluate his next options in terms of the most effective timing of a particular step (he spent substantial time developing the optimal time for military action, if needed, and determining exactly when to propose the stealth proposal regarding the removal of the missiles in Turkey). Thus, President Kennedy knew the time sequencing of his actions was vital to achieving his objectives.

The fourth dimension treats time as an important commodity that can be bought or sold. In an aggregate sense, President Kennedy's approach of deliberation was designed as much to "buy time" to see if Khrushchev would come to his senses as it was to prepare diplomatic and military responses to the crisis. The President's blockade proposal was designed to buy time in order to see if the crisis could be peacefully resolved. Air strikes would have bought no time at all; the blockade was a forceful, but defensive step that tested Russian military intentions yet bought the President and Khrushchev valuable time that was needed to come to a mutually satisfactory conclusion.

The fifth dimension treats time as something that can be temporarily stopped in place. President Kennedy's goal was not to stop the construction of the missile sites; it was the outright removal of any nuclear missiles in Cuba. During the crisis, the President continuously called "timeouts". The blockade was a form of timeout. The President called a timeout when he very carefully kept Khrushchev waiting in terms of giving him a response to two contradictory letters he sent towards the end of the crisis. The President deliberately called timeouts on several occasions when he kept his military leadership in the dark regarding his decisions on military strategy. President Kennedy used timeouts as a way to gain more time to evaluate options and make the Russian leadership recognize that he using the time to evaluate a wide array of options. Perhaps most importantly, the President used timeouts to diffuse the emotional aspects of the crisis as much as possible. Earlier I stated that the use of timeouts or delays is a double-edged sword that might your counterparty to regroup. However, in the context of the Cuban Missile Crisis, President Kennedy correctly surmised that once sensitively confronted, the Russians would be defensive. Their reactions to the President's timeouts was not to become more aggressive or confrontational, but to find a face saving and negotiated solution that would avoid nuclear war. President Kennedy guessed right that timeouts would lead to a calmer Soviet reaction, not a greater Soviet escalation. His instincts were correct.

The sixth and final dimension treats time as an important historical reference point. President Kennedy evaluated the crisis as a chess master. He constantly referred back to Munich and Yalta in terms of how the United States should react to the missiles in Cuba. In terms of the present, virtually every action or proposed action was evaluated

in terms of a possible Soviet response (in response to US military action) to overwhelm and take over West Berlin, and what the American response would be in the face of such Soviet military acts. In terms of the future, he considered the long-term impact of potential United States military actions against Soviet personnel physically located in Cuba, deliberated over the lasting impact if either the United States or Soviet Union were forced to use nuclear weapons during the crisis and was thinking about how a successful resolution of the crisis could be used in a way to avoid the continued accumulation and proliferation of nuclear weapons. At every stage during the crisis, President Kennedy used past and present perspectives to guide his actions, and authorized responses that would be consistent with his future goals and aspirations. This was the lasting legacy of President Kennedy's approach during the crisis. Without the manner in which the President was able to diffuse tensions and force the peaceful removal of the missiles, future treaties on nuclear disarmament and proliferation would never have been achieved, the possibility of President Nixon and his successors to engage the Soviet Union in détente would have never happened and the disintegration of the Soviet Union might have never happened. Therefore, President Kennedy's long-term vision, shaped by his historical reference points, enabled the United States to use the resolution of the Cuban Missile Crisis as a starting point for a new and ultimately productive relationship with the Soviet Union.

## CHAPTER 9

IMPACT OF THE SIX DIMENSIONS OF TIME ON NEGOTIATIONS AND  
MANAGING RELATIONSHIPS

So how do you get time on your side? How do you align your material resources and personal/professional objectives with the timing of events? Do you believe that the timing of events greatly influences outcomes.

The simple reality is that the timing of events shapes the resolution of those events. We are all familiar with situations where if presented with an opportunity today we will reject it out of hand, but due to changed circumstances, we might jump at the same opportunity one year from now. We all wish that we can “stop” or “slow” down the clock in order to more carefully evaluate our options or make informed decisions. We evaluate our situation based on some aspect of our past and our desired or likely future.

This Capstone Paper does not have any rules of thumb as to how best evaluate the six dimensions of paper in all situations. Each situation is different and requires an individualized time related response. However, there are five time related approaches that one should consider in any given situation that I shall briefly discuss.

Acknowledge the Past. Don't be a Slave to it

We all accumulate a history of past negotiations and relationships and an understanding of our past actions, whether the results were favorable or not. This past history shapes our present views. However, letting past time dominate current actions or future desires is destructive. We cannot do anything to change the past but we do have the ability, however limited, to shape the future. Holding on to past history and letting it dominate future events is a route towards allowing history to repeat itself. The goal is to

acknowledge the past, recognize the past patterns that might repeat themselves and develop future strategies that recognize those patterns. Future strategies might involve a partial reaction to those past patterns, but the actor should be guided primarily by future concerns. Each situation is unique; the goal is to create a desirable future place, not to repeat the past. For time to be on your side, you need to be future oriented. Those individuals and organizations that are fixated on the past and put the past on a pedestal will forsake change.

#### Slow Down Events When Possible but use Delays as Infrequently as Possible

There are times when gut reactions are appropriate, especially where split-second type of decisions are unavoidable. However, many times, organizations and individuals benefit from “slowing down” the clock and viewing the negotiation or relationship from a calm and measured perspective. Making decisions in a rushed state infrequently leads to optimal decision-making. Moreover, deliberative group input into negotiating strategies frequently leads to better quality decisions. While it is unrealistic for us to frequently achieve a “flow” like state described by Csikszentmihalyi, we can use relaxation techniques to slow down our minds and our sense of time. Although slower decision-making can sometimes lead to what is known as analysis-paralysis, in many instances “slowing down the clock” leads to more effective decisions.

On the other hand, calling for a delay or timeout should be done judiciously. It is most appropriate to call for a delay where emotions are running high and future discussions may lead to a permanent impasse. Delays are also appropriate when you intend to communicate to an intuitive counterpart (frequently from an Asian culture) that the delay is also a polite way of terminating the relationship. Finally, there is evidence

that a reasonable delay between agreement and implementation of the agreement increases the efficiency of implementation.<sup>44</sup> However, calling for a delay in a non-emotional context often leads to potential adverse consequences. It might allow a counterparty to regroup or even look at options beyond working with you or your organization. Others might construe a delay (depending on the situation) as a lack of seriousness to continue the relationship. If the delay has the effect of increasing a burden on counterparty, the cost of the delay may result in that party walking away from the negotiation or relationship. In particular, if a delay is offered, strong consideration should be given to coupling the delay with a deadline in order to determine whether there is a relationship to be had. Therefore, while delays may have a role in the arsenal of time aware parties, the actor should be very careful in proposing a delay might not work to his strategic advantage.

#### Even in Our Technological World Clock Time Matters

The world appears to be moving away from traditional notions of clock time. Many cultures embrace event time as the manner in which to conduct relationships and negotiations. Many Middle Eastern and Asian cultures put far more emphasis on spending as much time as is necessary to achieve a goal or conclude a negotiation (event time) rather than rushing to conclude the matter by a time certain. Attempting to rush someone who is event time oriented is often not effective. Event time oriented persons also tend to be individuals who “slow down” the clock in order to work at maximum efficiency. This is the antithesis of Americans who traditionally want to speed up the clock and wrap things up based on a fixed and short deadline.

I believe that proponents of event time have far more relevance in our diverse and complicated world than do proponents of clock time. Agreements and relationships are far more likely to be successful if the parties take the relevant time (and unencumbered by the clock) to get to know each other at the beginning of and during a relationship, including the sharing of vital information and background that allow the parties to get comfortable in dealing with each other from both a personal and economic perspective. Think of the beginning of a negotiation as a courtship; how long would you take to know someone before you view that person as a good friend or worthwhile partner? I believe that Americans are short sighted in treating each negotiation or relationship as a discrete “transaction” that has no bearing on a long-term arrangement between the parties. The result of that short sightedness is reflected by the current modus on Wall Street where there is no relational capital whatsoever.

Truly short-term perspectives of time are also inconsistent with game theory concepts, where competitors can signal their own long-term intentions through moves made in a time continuum. In the iterated version of the Prisoner’s Dilemma (where the “game” or negotiation is played repeatedly over a significant period of time), a player has the ability to reward the other side if he is cooperative or punish the other side if he is non-cooperative. In a situation that is comparable to an iterative Prisoner’s Dilemma type game, the short sighted actor will not maximize economic returns in a negotiation if he fails to use his time resources to be cooperative more often than not. Moreover, since most relationships and negotiations take place over a significant period of time, game theory teaches us that, in order to reach a point close to equilibrium, a negotiator must take a long-term perspective both in terms of (1) sharing information with his counterpart

in order to expand the economic pie to be allocated among parties and (2) maximizing long-term relational capital.

Yet slavish adherence to event time creates its own problems. At some point, parties have to stop getting to know each other and get down to business. In a real sense, time is money; the issue is how to properly balance for the parties to develop relational capital and the need to get on with the task in a timely matter. While American concepts of time as a reservoir of relational capital (or lack thereof) are outdated, we cannot throw notions of clock time out the window. Moreover, the notion that technology allows us to determine how and when we get our jobs done is vastly overstated. Although it is true that technology gives us some level of control in determining the timeframe in which we accomplish our work (and allows us to be more productive in terms of completing tasks faster), it comes at the cost of being available for work for far greater timeframes than in the pre-Internet era. In order to preserve health and sanity, technologically savvy individuals and organizations need to modify the expectations of others that they are almost always “on the clock” in terms of being reachable.

Thus, we should be aware that concepts of “clock time” may be less relevant in our interconnected and diverse world than before, but the concept of clock time still has a significant degree of relevance that the time aware person must understand in his or her daily personal and professional actions.

#### Time is Money but Value it Carefully

As discussed earlier in this Capstone Paper, time can be viewed as a commodity that can be bought and sold. Each party in a relationship or negotiation determines its own time value and each uses an appropriate discount rate to value the cost of delay or

performance. President Kennedy bought time through using a blockade as his initial military maneuver.

We cannot ignore the notion that time has a monetary or other value that can be quantified. “Buying time” is an essential part of the repertoire of any successful individual or organization. However, like any other tool, an individual or organization can overuse the concept of buying time. Since different parties have different time horizons, the difference in short-term discount rates used by each party is likely to be very different. The party with the lower short-term discount rate of time generally has a significant advantage in terms of forcing a favorable result through the use of delay, deadlines or other time tactics. A party with higher short-term discount rates of time must use other time shaping strategies described earlier (such as judicious use of deadlines or using bluffs to show more patience than you really possess) in order to overcome the time advantages possessed by the other side.

The time aware negotiator should have a rational view of the manner in which it values time. Moreover, such valuations must be based on reasonable assumptions; individuals and organizations often overvalue their time. Such a valuation should be updated and revised depending on the circumstances. But the time aware individual should also spend the time necessary to ascertain other party’s time costs in order to develop a strategy in response to any significant differences in timeframe. Differences in time horizons play a major role in multiple parties not reaching agreement or accommodation. The ability of a time aware individual to adapt to and shape time organizations can lead to satisfactory results and agreements.

Time Aware Persons Shape the Time Dimensions of a Situation or Relationship and Don't let Other Parties Control Time

The most important takeaway from this Capstone Paper is that the party who is most aware of the time dimensions of a situation has the ability to be proactive and shape the time elements of a situation to his advantage. Time awareness creates a major tactical advantage. The ability to shape actions at appropriate times gives the time aware actor the ability to shape the relationship.

The time aware actor has a variety of time options at his disposal. He can decide whether to introduce a new suggestion today, in the near future or defer until a later date. He can decide whether the parties might benefit from a delay or timeout. He can decide whether to expend material resources in order to expedite a result or defer a potential burden. If past events threaten to shape the current relationship, he can take the time necessary to demonstrate that the parties should focus on the future, elaborate on how future relations will differ and show the folly of dwelling on the past. Conversely, if a past relationship is satisfactory, the proactive time actor can paint a picture of how past relational capital can benefit the counterparty. The time aware actor can seriously consider the costs and benefits of establishing a deadline. He knows when to accelerate or decelerate the pace of the negotiations. Finally, the time aware actor should move seamlessly between the application of clock time and event time in shaping the relationship.

During the Cuban Missile Crisis, although the United States and the Soviet Union both controlled large and devastating nuclear arsenals, the reality was that offensive missiles were already located in Cuba by the time the United States found out of their existence. So from a material standpoint, the United States started out by playing

defense. Yet through the shrewd use of time concepts, President Kennedy strategically used time weapons at his disposal to shift from offense to defense. His calm demeanor disabused his own advisors, the American people and most importantly, the Soviet leadership of any thoughts that he was making decisions as if time was passing very quickly. His sequencing of tactical decisions (from the timeframe in which he evaluated initial options, the use of the blockade as a first military option, the use of time to build military readiness, the timing of when to “go public” with the information of the missile sites, the timing of when to respond to Khrushchev and the timing of the decision of precisely when to suggest the removal of missiles in Turkey) resulted in a shift in which the Soviet Union initially controlled the balance of the power to a situation where the United States seized the balance of power within seven days after the crisis started.

Not all time sensitive situations present the opportunities seen in the Cuban Missile Crisis. But what the Cuban Missile Crisis demonstrates is that the intelligent use of time concepts gives the time aware actor a substantial advantage when dealing with other parties who do not share such knowledge. Even when the other side shows signs of time awareness, a time aware actor still strives to use various time dimensions as a strategic and offensive weapon, especially when he has a deficit in material resources. For when someone has a significant deficit in material resources, his goal is to use selective and effective time techniques to make it very expensive or difficult for the other side to dominate the situation. While time skills can never completely overcome an overwhelming disadvantage of material resources, the successful individual stands a better chance of achieving his objectives in a negotiation where he can shape the time dimensions of the situation.

## CHAPTER 10

### CONCLUSION

Okhuysen, Galinsky and Uptigrove succinctly discuss the role of time in relationships and negotiations:

As individuals, we live in time. We constantly act under the influence of time, and it influences the choices we make and the actions that we take. Time is an essential part of our nature, and much of our behavior is dictated by our relationship to time.<sup>45</sup>

In this Capstone Paper, I have attempted to show how six dimensions of time have a major impact on the resolution of negotiations and relationships. In doing so, I established that time aware individuals can shape events in a manner that frequently results in positive outcomes. As in most situations, the person who is more proactive in applying time dynamics is likely to have a better result than those who are more passive in their actions.

Most importantly, I have shown that in many instances, the individual or organization who understands the time dynamics of the situation frequently will have the upper hand in a negotiation or relationship, regardless of the advantages or disadvantages the other person or organization might have in material resources. Time does not always trump material advantages; overwhelming advantages in material resources provide the owner of such resources the ability to overcome the abilities of a master time strategist. Nevertheless, the person who manages to get time on his side is in a far better position to manage a negotiation or relationship to a successful conclusion than a person who thinks of time as merely something that ticks on a clock.

## ENDNOTES

<sup>1</sup> An excellent discussion of the history of clock time and traditional Anglo-Saxon adherence to clock time can be found in Chapter 1 of Carl Honoré's book *In Praise of Slow: How a Worldwide Movement is Challenging the Cult of Speed*.

<sup>2</sup> Kasparov, p. 83

<sup>3</sup> Kasparov, p. 83

<sup>4</sup> Kasparov, p. 84

<sup>5</sup> Kasparov, p. 86-87

<sup>6</sup> Hassan and Purser, p. 8

<sup>7</sup> Hassan and Purser, p. 10

<sup>8</sup> Trompenaars and Hampden-Turner, p. 127

<sup>9</sup> Hall and Hall, p. 13

<sup>10</sup> Ibid, p. 14-15

<sup>11</sup> Ibid, p. 15

<sup>12</sup> Ibid, p. 16

<sup>13</sup> I typed the first draft of this Capstone Paper in the Smoky Mountains and can do so due to the technology of the computer, especially access to research materials through a wireless Internet network. Moreover, I typed this paper during all hours of the day; I was not limited to a 9 to 5 schedule.

<sup>14</sup> Hassan, p. 50

<sup>15</sup> Hassan and Purser, p. 12

<sup>16</sup> Hassan and Purser, p. 13

<sup>17</sup> Conger

<sup>18</sup> Watkins, p. 86

<sup>19</sup> Watkins, p. 86-87

<sup>20</sup> Brett, p. 1057

<sup>21</sup> Ibid

<sup>22</sup> Ibid

<sup>23</sup> Ibid

<sup>24</sup> Brett and Gelfand, p. 182

<sup>25</sup> Brett and Gelfand, p. 183

<sup>26</sup> Moore (Journal of Experimental Social Psychology), p. 123

<sup>27</sup> Moore (Organizational Behavior and Human Decision Processes), p. 136

<sup>28</sup> Moore (Journal of Experimental Social Psychology), p. 126

<sup>29</sup> If the other side proposes a deadline, you obviously need to react quickly. You might deliberately ignore the request and act as if the deadline request was not made. You might ask the reason for the deadline and then determine whether you will agree to the deadline. In many instances, you will ask for more time and the parties will agree to extend the proposed deadline. In some instances, especially where the other party has many good options, you may need to accept the deadline and conclude the negotiation quickly. The point is that the smart negotiator needs to anticipate a deadline request at any time during a negotiation and prepared to react quickly.

<sup>30</sup> Ibid, p. 122

<sup>31</sup> Ibid, p. 122

<sup>32</sup> Ibid, p. 122

<sup>33</sup> Ibid, p. 122

<sup>34</sup> Trompenaars and Hampden-Turner, p. 136-140

<sup>35</sup> Young, p. 14

<sup>36</sup> Watkins and Rosengrant, p. 124

<sup>37</sup> Honore, p. 21

<sup>38</sup> O'Neill, p. 105

<sup>39</sup> Trompenaars and Hampden-Turner, p. 129-130

<sup>40</sup> Ibid, p. 131-134

<sup>41</sup> Ibid, p. 132

<sup>42</sup> Popper, p. 81-82

<sup>43</sup> May and Zelikow, p. 202

<sup>44</sup> Okhuysen, Galinsky and Uptigrove, p. 270

<sup>45</sup> Ibid, p. 278-279

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