

# NEGOTIATION TACTICS: USING AUTHORITY LIMITS

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Tactics are always an important part of the negotiating process. But tactics don't often jump up and down shouting "Here I am, look at me." If they did, the other side would see right through them and they would not be effective. More often than not they are subtle, difficult to identify and used for multiple purposes. A good example is the authority limits tactic.

The essence of authority limits is that the negotiator lacks the authority to conclude a final agreement - or claims that he or she lacks that authority. In fact, there are three possibilities:

- (1) The negotiator really does lack authority and will have to bring the proposed agreement back to the individual or group with the final authority,
- (2) The negotiator states that their authority is limited when in fact they could conclude the proposed agreement, or
- (3) The negotiator technically lacks the authority but knows that in all probability the "higher authority" will approve their recommendations.

There are many uses for the authority limit tactic. One of the most common uses is to obtain a delay without directly asking for one. In this way, the absent authority provides an opportunity for the negotiator to go back, think through the positions of each side, and evaluate the proposed agreement. The authority limit tactic can be used in a number of other ways as well. For example, occasionally negotiators will go back and check with the authority even though the negotiator knows that she can close the deal based on what the parties have agreed to so far. The negotiator might have been trying to show the other party that she "really went to bat for him" with the higher-ups. Alternatively she might be trying to indicate that it was hard to get approval and that the other party really can't hope for any more concessions in this negotiation.

Another use of the tactic is to obtain a "no" from the authority even when the negotiator could have said no themselves. The purpose here might be to reinforce and cement the refusal to make concessions. It might also be an attempt to make the negotiator appear to be the good guy and the organization or the higher-ups the bad guys. (Be careful about painting your own organization as the bad guy too often. This tactic can tend to backfire.) Purchasers occasionally use the authority limit tactic by delineating a range where they can make the deal and indicating that anything in excess of that amount requires lengthy review and approval. Thus, the purchasing agent might indicate that he could purchase the instrument for \$10,000, but if the salesperson insists on \$11,000, it has to go through an approval process.

The salesperson might use the authority limit tactic by stating that she knew that the boss would reject the offer proposed by the buyer if it were just presented verbally. However, the boss "just might" approve it if it were presented in the form of a signed purchase order. You should always be concerned about the authority of the other party. Try to determine as early as possible their level of authority, or at least what they state to be their level of authority. If their authority is limited, you can try to involve the decision maker. If this is not possible or you feel that it is tactically inappropriate, continue the negotiations with an acute awareness that the person you are dealing with either does not have, or says that he or she does not have, the final authority.

One way to deal with this may be to use the person on the other side of the table as messenger, getting points agreed to by the person with authority step by step.

Finally, there are two caveats that apply to use of all negotiating tactics. Tactics usually carry with them some degree of risk or can backfire. For example, one of the most common counter-moves against the authority limit tactic is the end run, i.e., "If you can't make the decision, let me talk to the person who can.". Second, never utilize a tactic or strategy that you are uncomfortable with or that you believe to be improper. But always strive to recognize tactics and understand how they work so that you can respond effectively when they are used against you.