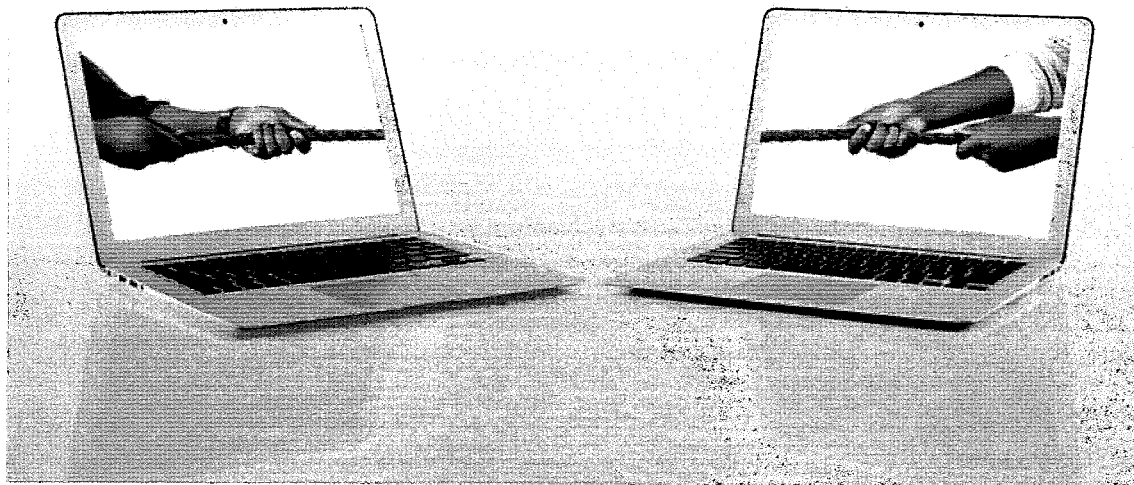


Negotiations

How to Negotiate – Virtually

by Hal Movius

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Summary. Are virtual negotiations more or less effective at creating value for counterparties? The picture is mixed. Negotiating virtually tends to leave parties with poorer objective results and feeling less warmth and trust toward one another. Moreover, according to a... [more](#)

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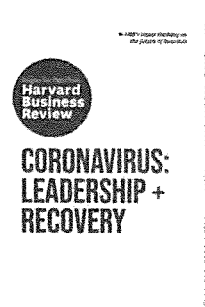
For the past few months, almost all negotiations have been occurring virtually. But even before Covid-19, an increasing number of dealmakers were connecting through digital tools. Video technologies, low-cost teleconferencing, and email have all become efficient ways for teams to prepare together and to negotiate with counterparts.

What does research tell us about virtual negotiations? Are they more or less effective at creating value for counterparties?

The picture is mixed.

First, the bad news: Negotiating virtually tends to leave parties with poorer objective results and feeling less warmth and trust toward one another. Moreover, a meta-analysis conducted in 2002 suggests that group decision-making is less effective, less satisfying, and more protracted when groups don't communicate face-to-face.

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When it comes to email — which introverts are particularly drawn to in conflict situations — we tend to be less cooperative, perhaps because we are less inhibited in expressing complaints and negative opinions. We also run a greater risk of misunderstandings: Justin Kruger, Nick Epley and their

colleagues have found that we tend to overestimate how well our messages have been understood by recipients. And a 2019 study suggests that — surprise, surprise — we're also worse at reading emotions over email.

Interestingly, a meta-analysis of 43 studies suggests that women are less cooperative in virtual settings than they are when face-to-face; whereas men's tactics don't change as much. It may be that women feel less pressure to be affiliative or polite when they are not face-to-face.

If virtual negotiators face additional barriers to finding joint gains, the good news is that research also suggests ways enhance the chances for success in virtual settings.

When Planning Virtual Negotiations

1. Assign clear roles to your team. Calls or videoconferences with four or more parties can quickly go off track. Be sure to ask: Who will open the meeting? Explain a proposal? Answer questions? Summarize next steps? How will we communicate with one another offline?

2. Specify – and practice with – offline methods for chatting. There are many cringe-worthy stories of “private” messages accidentally showing on everyone's screen. To avoid this, use different hardware or programs for chatting. If you are using a computer to Zoom, for example, use your phone and a separate application to chat or text with teammates.

3. But keep chatting brief. Messaging during negotiations can be important, but one study found that multitasking on a smart phone while negotiating led to lower payoffs and being rated as less professional and less trustworthy by counterparts. When communicating with teammates during a negotiation, brevity is a virtue.

4. Video is best; the bigger the better. Charles Naquin and his colleagues found that negotiators communicating by video performed better than negotiators using email or texting. And those using a large computer screen performed better than those using a small one. The easier it is to see your counterparts, the less effort your brain will waste.

5. Short and sweet. While video and telephone conferencing are “richer” media than email or text, they are also more cognitively taxing. Human brains are prediction machines, and they must work extra hard to understand gaps, glitches, time lags, and other ambiguities in the interaction. Short, structured video and teleconferences can help keep parties engaged and at their best.

When Leading Virtual Negotiations

1. Connect at the outset. Taking a few minutes to schmooze or make small talk at the start of a meeting can help set the stage for a more collaborative interaction. Research by Michael Morris and his colleagues found that when emailing, subjects who were randomly assigned to make small talk for a few minutes before negotiating achieved better financial and social outcomes than those who began negotiating immediately. In another experiment, starting a negotiation with humor led to better economic outcomes and better feelings between parties. Particularly in the stressful world of quarantines, making a personal connection can have a powerful effect on what follows.

2. Clarify constraints and assumptions. Video meetings and teleconferences can often have “ragged” starts where parties join at different times. After taking time to connect, make sure to quickly clarify the meeting purpose and the time to be committed. If a key party will have to leave early, for example, reshape the agenda as needed at the outset.

3. Westerners: hide your self-view? For Americans and others from more individualized cultures, evidence suggests that seeing yourself during a video call tends to increase self-consciousness and self-criticism. Particularly if you already have these tendencies, you might want to turn off the self-view when video conferencing.

There’s no substitute for the richness of negotiating in a face-to-face environment. But as we navigate this stressful period of social distancing, it’s useful to remember that digital communication tools

and media can make negotiations more efficient, and can help us to stay connected — provided that we understand how to put them best use.

Editor's note: We've updated to clarify that the 2002 meta-analysis suggests that group decision-making is less effective when groups did not communicate face to face. Due to an editing error, the previous sentence incorrectly suggested that the analysis proved this to be the case.

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