
“We all live every day in virtual environments, defined by our ideas”

MICHAEL CRICHTON



NEGOTIATING WITHOUT A TABLE

Drew Gallaher



People refer to negotiation as both a science and an art; and it is both. There is a pure logic to every negotiation and there is an art to it because you negotiate with people. This results in a need to truly understand the subtleties of human communication surrounding nonverbal messages, soft exposing language, instinct and intuition, in order to get inside the other party's head.

However, what if the science and art of negotiation are forced to occur in the virtual world where the bandwidth for communication is greatly reduced, sometimes down to zero? What happens when many negotiation norms no longer apply, and how do we virtually negotiate when communication cues are minimized? Virtual negotiations are neither better nor worse; they are simply different, and once we understand the science behind why they are different we can adjust our approach and excel in the arts of virtual negotiation appropriately.

COVID-19 and social distancing have made the need to negotiate remotely an imperative, and have also made in-person negotiations difficult to impossible in the short term. This short thought piece will explore the science and art of virtual negotiations, and what you as a negotiator should consider

when engaging in negotiations without the benefits of sitting at a table.

To eNegotiate or not to eNegotiate?

Although there is a wealth of information now surrounding virtual negotiation, due to common default practices and rapid proliferation of e-interactions there is still a lot of confusion and conflicting suggestions about the best times to engage in electronic-based or virtual negotiations. Some suggest that there is little to no place for eNegotiations due to the limited bandwidth of communications the platform can provide, while others suggest that it might be the most effective way to commence negotiations and avoid misunderstanding. What is not up for debate is that virtual negotiations will now, more than ever, be part of the fabric of how we as human beings conduct business, personal interactions and negotiations.

Accordingly, establishing best-in-class virtual negotiation practice is critical to business and personal success during the COVID -19 pandemic. As we look to the future, virtual negotiations will become more and more prevalent, forcing us to engage differently and understand how to most effectively exploit, utilize and perform on virtual platforms

in order to maximize the value of virtual negotiations.

What is the best virtual negotiation platform?

To be clear, there are several types of virtual negotiation platform an individual can utilize. Phone, email, video conferencing, texting and IM are available and being used to varying degrees and efficacy throughout the globe. The question this approach elicits is, "Which is the best platform?" The answer is not what most people are looking for, but it is the most appropriate, and that is, "It depends." Email functionality in its current form has not changed drastically since its invention back in the '50s. It was originally developed for scientists to share large volumes of data regarding discoveries with counterparts quickly, in a secure environment.



It has since metamorphosed into something it was never intended to facilitate, communication. Hence there are several detractors of email who blame most of the world's woes on email - especially "reply to all." They are not wrong, but they are not wholly correct either.

The science: psychological distance benefits to negotiation

Based on the 2010 empirical research by Troupe and Liberman regarding psychological distance and computed mediated communication, they found that negotiation creativity and the ability to collaborate could be enhanced by using psychological distance (not to be confused with social distancing,) and minimizing psychological closeness at certain times during the negotiation process. The fact that email by its very nature creates psychological distance also creates the room to enable reflective or abstract thinking before negotiators respond or counter-propose. This is beneficial to negotiators as it is often difficult to come up with creative, solution-oriented options in the "heat of the negotiation." While email, IM and text can cause a loss of focus on specific detail or variables of the negotiation, there is the benefit of new knowledge creation that occurs as a result of social

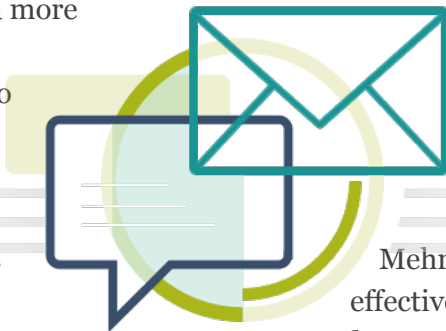
distancing as negotiators have the space to think more creatively. Unfortunately, at the same time you are not able to physically see how the other party responds to your new ideas using email, thereby limited the negotiator's ability to assess NVC. So what do you do here? Let's leave that alone for now...

In that same study another benefit of email for negotiations was identified during the back and forth of information sharing and during the final decision-making stage of negotiation. Studies proved that individuals who may be less inclined to speak up in psychological closeness sessions felt more empowered in sharing information and thoughts during the psychological distance usage of email. This results in more variables and thoughts being shared and included which leads to more profitable deals. In regard to alignment, email seems to allow groups to engage in a more productive approach to decision-making, helping individuals to focus on generating more systematic and objective ideas and ensures more equal participation of group members and thereby more universal support of the

outcome. Even those that see email as a hinderance to negotiations struggle to come up with reasons why it should not be used to share media files and documents to position and precondition the other party, or used to agree as to what has been agreed at the negotiation table. So, if email, text and IM are so great, why do studies state that face-to-face negotiations yield better negotiation results? It so happens there is a considerable downside to eNegotiations as well.

The science: risks of psychological distance

Stanford has done years of studies on email negotiation and they have found that over 90% of email communication is misinterpreted by the other party and perceived as being aggressive. So, the same platform that facilitates the opportunity to find the bandwidth for thought, creativity and collaborative ideas can damage relationships and collaboration by its lack of bandwidth for communication. If Mehrabian theory implies that effective communication decreases as psychological distance increases, where does that leave email, text & IM for rapport building? Ultimately, in the very risky spot of easily damaging



relationships unintentionally. Equally important is the impact that email communicate has on participants' level of satisfaction. Studies prove that negotiators were less satisfied with outcomes, particularly in group and team negotiations, as the lack of physical presence allows people to forget that the person with whom one interacts is a unique individual. People often hide behind email as they feel freed from the normal social obligations or values of society, and more comfortable going against or not using those values when engaging their counterpart, leaving both parties dissatisfied with the negotiation even when value had been gained by both parties.

Hence it appears that psychological closeness platforms such as the phone or video conferencing are not just better for allowing more effective information processing, but they also reinforce adherence to social and cultural norms that encourage and facilitate collaborative negotiation execution.

Virtual negotiation platforms: which to use and when

This brings us back to our original question. What is the best communication method to use for virtual negotiations and

during the COVID-19 crisis that will help negotiators maximize value? The answer is, it depends on whether you are having a competitive or collaborative negotiation. It also depends on what stage of the negotiation process you are in. As the science has shown there are times during the negotiation process when psychological distance is optimal, and there are times when psychological closeness is preferred. If you want to send a news article or date to precondition the other party... well email, IM or text might be the best option particularly if the message is self-explanatory (*Ex.#1.) However, if it is clear the content will not be enough, a call to action for a video conference or a phone call will be in order to ensure your messaging is received as per your external communication plan. In another scenario, if you have several variables and multiple stakeholders in the negotiation it might be best to employ psychological closeness for the first meeting to establish rapport and psychological distance after the meeting to enable creativity during information sharing. A negotiator might use psychological distance when delivering proposals which provides the space for creativity but come together and use psychological closeness when repackaging and gaining alignment to leverage societal

values and facilitate congruent agreements. If the situation warrants, could you do the whole negotiation via email? Possibly, but if you want to negotiate with that person again, rapport will need to be established with psychological closeness in order to gauge satisfaction, otherwise you might find it very difficult to engage effectively in your next negotiation. If you want to anchor your initial proposal, do you want to send an email to anchor your position firmly with no risk of soft language or NVC seeping out? Perhaps. But if you do not use psychological closeness, might they turn the tables on you by simply not responding and then leave you guessing and eventually falling victim to self-imposed time pressures? All things considered the best virtual platform to utilize in order to be successful in your negotiations will always be "it depends" - on where you are and where you want to go in the negotiation.

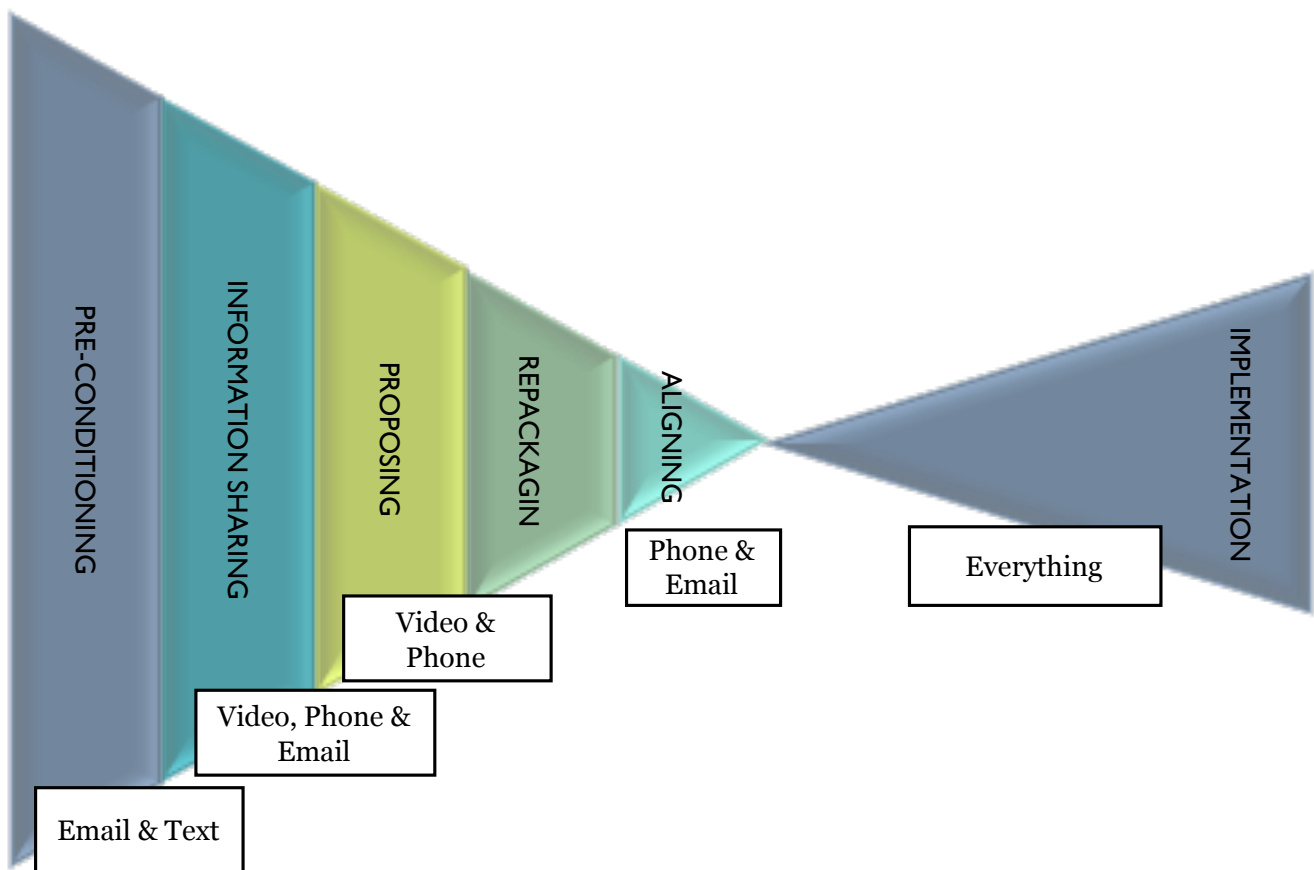
Virtual negotiations and The Gap Partnership’s six stage strategic negotiation process

There are times in the negotiation process when the use of one virtual negotiation platform over another may make more sense, but there are no universal rules in negotiation. In order to provide some direction surrounding an “it depends” strategy, we are using Ex. #1 from “Virtual Negotiation Platforms:

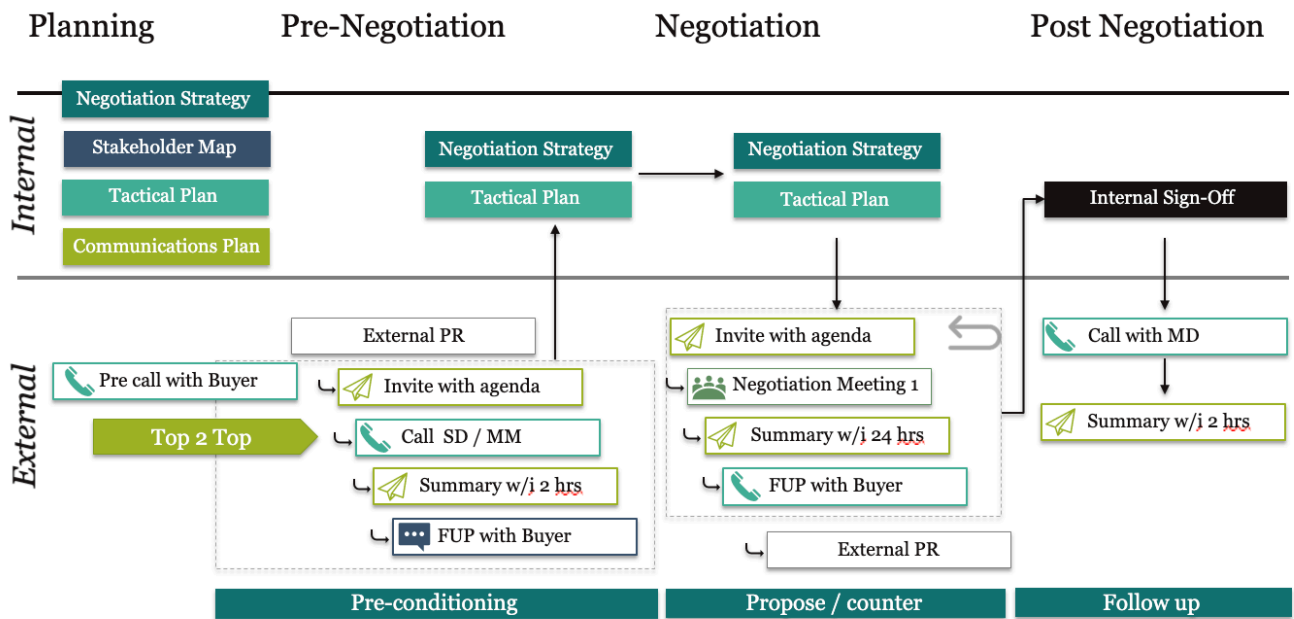
which to use and when” section and outlining The Gap Partnership’s six stage strategic negotiation process to illustrate an example of when might be an appropriate time to employ specific virtual platforms throughout the six stage process. However, the below IS NOT prescriptive.

For instance, you may also choose to reinforce an external messaging preconditioning

strategy with a phone call as mentioned in the previous section. All negotiations need some level of trust and rapport that come from psychological closeness, and the detachment and abstract thinking that comes from psychological distance. The problem is not to choose one or the other in virtual negotiations, but rather to shift effectively between them. An “it depends” strategy requires a virtual negotiator to consider what is the best approach to adopt given their own unique negotiation circumstances.



Example in action



Conclusion

In conclusion, we are in unprecedented times and in these times, we need to adapt and evolve in order to thrive. It is our belief that there is an absolute optimal time and place for virtual negotiation platforms throughout the negotiation process. In fact, upon closer inspection of the science of virtual negotiations there are times when employing psychological distance in specific stages of the strategic process may be more beneficial to the final deal than utilizing psychological closeness. One thing for certain is that for the short term COVID-19 has removed the ability of the negotiator to physically sit at the table in order to come to terms. So, our need to perform at the

optimal level in virtual negotiations is paramount in today’s reality of negotiation; but the virtual platform we utilize does not need to be binary. It is important to remember throughout the six stage strategic process to not be purely close or distant with virtual negotiation platforms, but rather to shift between platforms of closeness or distance, in order to optimize the potential value to be gained given the negotiation stage and approach to value. Thankfully for humankind this will not be a permanent crisis and there is a lot of discussion of a “new normal” once we emerge from the COVID-19 pandemic. A last recommendation for negotiators to consider as we discover some of the benefits of the appropriate use of virtual negotiation

platforms is once prosperity returns, do not forget the power that psychological closeness can have on maximizing the value of your negotiations. In the interim we have a few tips for your virtual negotiations in the Appendix, as COVID-19 makes this an imperative in today’s negotiations without the table.



APPENDIX

Virtual Negotiation Guidelines: helpful tips and thoughts for you to consider to be successful in virtual negotiations.

Negotiating by phone

- Prepare & use a script
- Plan timing & duration of the call- best or worst time for the other part
- Set an agenda
- Use a silent observer- helps to pick up soft language
- Have your data/information handy
- Stand-up if the other party are being competitive
- Use an audible flinch (plan for this)
- Be concise - avoid rambling
- Listen harder - watch out for hesitations
- Use silence - bigger impact on the phone
- Take notes during the call
- Use of higher authority if necessary
- Still consider the use of time-outs
- Messages on voicemail can be very revealing (urgency/ pressures)- avoid leaving messages for this reason
- Get the other party to leave messages
- Do not be 'caught on the hop'- call back when you are ready

When using e-mail/text/IM

- Good for one-way communication
- Anchors your proposal
- Helps facilitate opportunity to provide time and space to develop creative counter proposals
- You can use time to your advantage- respond when it suits you
- Facilitates group decision making
- Ensures you Agree what has been Agreed
- Start off with Hi ___ to develop rapport & sign off cordially, not with initials

However...

- Using/reading nonverbal communication is not possible
- Always check for soft exposing giveaways before sending
- Ask a colleague to read it to assess that the tone is right
- It can be difficult to build satisfaction/ relationship
- Can be misinterpreted by other party
- Can be easily 'Forwarded' or 'Replied to All' to the wrong person by accident
- Always check all attachments before sending as they may contain sensitive information
- If using Word and tracking changes, these may be seen by the recipient- better to convert to a PDF file before sending

When using video conference

- Pay attention to your and their nonverbal communication (NVC)
- Set warm or cool climates with facial expression. Don't forget to flinch
- Building trust & rapport requires extra effort as you are interacting in a 2D world vs a 3D world and the subconscious mind feels unsettled by the environment.
- And remember, when on a video conference turn on your camera and get others to do the same to increase the bandwidth for communication and be able to read & send NVC messages

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