



# MAKE THE MOST OF ONLINE NEGOTIATIONS

SPECIAL REPORT





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## Negotiating from a social distance

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### **Here's how to negotiate when handshakes, air travel, and group negotiating sessions are off-limits.**

As the COVID-19 virus spread through the United States, Xerox CEO John Visentin announced on March 13 that the company was putting its hostile takeover of HP on hold in order to “prioritize the health and safety of its employees, customers, partners and affiliates over and above all other considerations.”

With health experts worldwide advising citizens to take social-distancing measures, such as avoiding group gatherings and staying six feet away from others, other companies chose to move face-to-face negotiations to the internet. During the virus's initial surge, companies in China and Hong Kong started pitching IPOs to global investors online and via teleconferencing rather than flying to financial hubs such as New York City and Tokyo, according to Yahoo News.

Shareholder meetings also went online. Starbucks, for example, swapped out its annual meeting in Seattle, which attracts big crowds with free coffee, for a “virtual” meeting with shareholders, Reuters reports.

The health crisis and resulting global economic downturn left would-be negotiators facing difficult decisions: Meet virtually, postpone talks, or avoid them altogether? Negotiation research and theory offer best practices for dealmaking at a distance.

### **Distinguishing between types of media**

If you decide to negotiate at a distance, you'll want to choose the communication media—telephone, videoconference, email, or text—best suited to your goals and needs at different points in the process.

First, the bad news: Face-to-face meetings are the superior forum for negotiation because of their “communication richness”—that is, their ample social

cues. When we meet in person, we can gain understanding and build rapport through body language, eye contact, facial expressions, tone of voice, style of dress, appearance, manners, and our environment. “Negotiators leave less money on the table when they are able to pick up clear social cues,” according to INSEAD professor Roderick I. Swaab and Columbia Business School professor Adam D. Galinsky.

While no communication medium is as rich in social cues as face-to-face meetings, some are richer than others. On the phone, we can read a lot into our counterpart’s tone of voice and how quickly they get down to business. On a videoconference, we can assess the other party’s receptiveness to a proposal from their smile or, conversely, their crossed arms and frown. Emails and texts tend to be “impoverished” forms of communication because they lack nonverbal and visual cues, though emojis can help.

Communication media also vary in their synchronicity, or the degree to which people can be engaged in the same activity at the same time. Phone calls, conference calls, and videoconferences—and, to some extent, text messages—allow us to carry on a continuous conversation. By contrast, emails (and sometimes texts) tend to extend the communication process because of delays between messages, note Swaab and Galinsky.

### Communication media pros and cons

Let’s take a closer look at the three main types of electronic communication: videoconferencing, email, and texting.

**Videoconferencing.** Videoconferencing can easily appear to be the best substitute for in-person negotiation. It is a relatively rich communication medium, providing both visual and vocal cues, and it is also synchronous (though a poor internet connection can lead to delays and frustration).

However, videoconferencing has several quirks that we need to anticipate, writes Creighton University School of Law professor Noam Ebner in a chapter in *The Negotiator’s Desk Reference* (DRI Press, 2017). Grainy, choppy images can also make it difficult to read facial expressions, for example. And Ebner notes that it’s virtually impossible to make eye contact during a videoconference: Because computer cameras tend to be located at the top of the screen, we seem to be looking downward at our screens rather than into each other’s eyes.

To make the most of a videoconference, Ebner advises minimizing distractions by setting up our computer in a quiet area with a neutral background. Keep things professional while working from home by dressing for business. Give counterparts your full attention; resist the urge to look at your phone or otherwise multitask.

**Email.** Because emails lack visual and vocal cues, we need to read between the lines to interpret our counterpart's emotions and interest. Negotiations conducted via email tend to result in less creative, less satisfying agreements than those that take place in person, several studies have found. Emails can also lead to misunderstandings and conflict, and foster a sense of "mutual invisibility" that can lead us to be less courteous and considerate than we would be in person.

As a negotiation forum, email does have its benefits. Most obviously, it allows people in different time zones to communicate at different times of day. Because email gives us time to carefully craft our messages, it's especially appealing if you feel nervous or shy, or if you're negotiating in a foreign language. Email allows us to send large amounts of information as attachments. And when you are negotiating with someone of higher status (say, a CEO), email can minimize the trappings of power and put you on a more equal footing, research has found.

**Texting.** Like email, texting allows people negotiating at a distance to connect at any time of day. It also lacks visual and vocal cues, making it another "impoverished" communication media. If you're a frequent texter, you've certainly noticed that misunderstandings and confusion are par for the course, especially when you're typing quickly and autocorrect kicks in. Because typing on a small smartphone screen is effortful, we tend to keep our texts short and skip the formalities, which can make texts seem abrupt and impolite.

That said, texting can be an irresistibly convenient way of sharing an idea or offer on the fly. We can also adjust the pace of a negotiation by pausing before responding to a text. In addition, younger people report feeling more comfortable expressing their emotions in texts than through other media, according to research by Jennifer Crosswhite of the National Council on Family Relations and her colleagues.

## Negotiating at more than arm's length

For those accustomed to handshakes, business lunches, and late-night dealmaking sessions in crowded conference rooms, the following guidelines can help you adjust to negotiating while social distancing:

- **Set realistic ambitions.** During the COVID-19 outbreak in China and Hong Kong, dealmakers put large IPOs on hold. Such deals, they recognized, would require in-person relationship building and on-site due diligence, such as document inspection, according to Yahoo News. Companies and their bankers held successful internet road shows by keeping IPOs relatively small and bringing in large anchor investors to close deals. In short, this might be a risky time to launch complex talks with an unfamiliar partner. If you would normally meet in person to build rapport and explore interests, consider holding off until the crisis passes.

- **Toggle between media.** Before you make a call, start writing an email, or schedule a videoconference, think about whether you're choosing the right medium for the task at hand. In the early phases of negotiation, phone calls and videoconferencing may be helpful for building rapport. When talks get more detailed, you may want to exchange proposals and documents in emails. If you have a sudden brainstorm, send a quick text. And whenever you find yourself irritated by a confusing or curt message, pick up the phone to clear things up.

- **Be patient and adaptable.** To state the obvious, trying to negotiate a business deal in the midst of a global pandemic is no easy task. With life in flux and the economy in turmoil, be prepared to call off or postpone your dealmaking at a moment's notice. Keep your alternatives to negotiating at the front of your mind so that you don't make commitments you'll later regret. Above all, strive to be patient and kind with counterparts, who may be dealing with more than you're aware of away from the virtual negotiating table.

- **Stay accessible.** As U.S. companies have moved their annual shareholder meetings online, corporate democracy advocates have expressed fears that investors and activists will be shut out of important conversations with executives and board members—perhaps permanently. “If it is a virtual-only meeting, [boards and CEOs] can cherry-pick questions, they can avoid protests,”

investor and shareholder advocate James McRitchie told Reuters. When negotiating online, ensure that all relevant parties continue to have opportunities to be heard.

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## Before negotiating via video, consider the hidden pitfalls

**Negotiating via Skype and other videoconferencing tools is an effortless way to bring parties together, but there are potential drawbacks to consider.**

It used to be that when negotiating counterparts were located far apart, one side or the other would need to get in a car, train, or plane if the parties wanted to do business face-to-face. These days, you only need to set up a videoconference on an app such as Skype or Google Hangout to interact in real time.

At first glance, videoconferencing might seem to have all the advantages of in-person meetings with few of the costs, in terms of travel time and expense. Yet in ways large and small, negotiating via video is *not* the same as being there, writes Creighton University School of Law professor Noam Ebner in a chapter in the book *The Negotiator's Desk Reference* (DRI Press, 2017). We need to pay close attention not only to the upsides of videoconferencing but also to the downsides, and look for ways to address them.

### **The benefits of negotiating via video**

Videoconferencing is widely perceived as a “rich” communication medium because it allows people to learn from each other’s visual and verbal cues. Through laughter, frowns, raised voices, and hand gestures, negotiators can build rapport and understanding. In addition to allowing parties to communicate both verbally and nonverbally, videoconferencing enables them to jointly view and discuss documents, slide shows, and videos.

By comparison, e-mail has been called an “impoverished” medium because negotiators must grasp one another’s meaning through written words alone. As a result, misunderstandings are common, and sometimes lead to unnecessary conflict and impasse. Similarly, phone calls lack the visual cues that can tell us, for



example, when someone is simply listening intently versus scowling in reaction to what she's just heard.

### The limitations of negotiating via video

Ebner advises considering a number of ways in which videoconferences differ from in-person negotiations. Here are four of them:

**1. Limited visibility.** When video-conferencing, we see less of the other person and his environment than we do when negotiating in person. Individuals typically appear as “talking heads,” with only their heads and upper torsos showing on the screen. We also can't see what's going on off camera. If the other party seems to be looking at something offscreen, we may wonder if she's paying attention or hiding something relevant to the negotiation.

In addition, a weak Internet connection or poor technology can result in a grainy or choppy image that makes it difficult to read a counterpart's facial expressions. Background noise or a “busy” background may also cause distractions.

Moreover, it's typically impossible for negotiators to truly make eye contact during a videoconference, notes Ebner. Because computer cameras tend to be located at the top of the screen, when we stare at our screen, we appear to be looking downward rather than into our counterpart's eyes. Although research needs to be done on the topic, this lack of eye contact might impair negotiators from building trust and rapport.

To compensate for such visual deficits when negotiating via videoconference, keep your hand gestures within the frame so that your counterpart can see them. In addition, do what you can to minimize sound and visual distractions on your end. Make sure the area behind you is neutral and professional, and dress for business rather than viewing the videoconference as an excuse to be casual. Finally, just because you can multitask during a videoconference doesn't mean you should; resist the urge to check your e-mail or attend to matters offscreen.

**2. Technical difficulties.** Anyone who videoconferences regularly knows that technical difficulties are par for the course. It's not unusual to have trouble linking up or to suddenly lose audio and/or video in the middle of a meeting. Even when we're able to iron out such glitches, they may interrupt the flow of a negotiation

or leave us feeling irritated, which could keep us from negotiating at our best. Practice using new videoconferencing apps before important meetings, but keep in mind that technical difficulties may still crop up.

**3. Privacy and security challenges.** When the privacy of a negotiation is paramount, videoconferencing may pose special concerns, notes Ebner. Although the possibility of being secretly recorded is a risk in any type of negotiation, video negotiations may be especially easy for your counterpart—or perhaps some other interested party—to record. In addition, there could be others quietly listening in and perhaps even advising your counterpart offscreen. For this reason, when security is critical but trust is low, you may want to find a way to negotiate in person.

**4. Potential heightened awareness of differences.** When we negotiate in person, we see our counterpart, but not our own face. By contrast, when we negotiate via videoconference, we typically see both our counterpart's face and our own face on our screen. Consequently, videoconferencing may make any obvious visual differences between us and the other party—gender, race, age, culture, and so on—more salient, notes Ebner. Here again, research is needed, but we might rely more on stereotypes about one another as a result.

If this is a concern, take time at the start of a video negotiation to engage in small talk, which could lead you to identify commonalities and see past superficial differences. Or you might try to defuse negative stereotypes by commenting on the positive aspects of diversity, as Ebner recommends: “Isn't it great that technology allows people from such different places to do business together?”

Overall, videoconferencing offers unparalleled convenience as compared to face-to-face negotiations, but we need to anticipate the potential drawbacks and, when possible, try to overcome them.

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## Negotiation Coach: Building your team online

### Question:

I run a start-up and am looking to hire a team of people to help with everything from product development to marketing to data entry. I have heard that online labor markets such as oDesk or vWorker may be a good way to hire people, but I don't know how trustworthy they are or how best to negotiate on them. Any thoughts on taking hiring digital?

### Answer:

One of the more remarkable trends in the explosion of online marketplaces, online labor markets (OLMs) have been transforming the way we think about hiring and managing. Websites such as oDesk, Elance, and vWorker allow you to gain access to applicants with a wider range of skills in farther-flung locations than would otherwise be feasible, especially for a small business looking for part-time or temporary help. But these sites present challenges that are distinct from those of traditional labor markets.

To give an example of how an OLM works, let's say you are looking for a programmer to do Web development. With job description and requirements in hand, you would face a series of decisions when posting on an OLM:

**Decision #1:** Approach them or let them approach you? If you simply posted the position, you would quickly receive a response . . . and then another, and another, and another, and so on. Some applicants might ask for more money than others, and their qualifications will vary as well. Amid the deluge, it's easy to experience choice overload.

One way to alleviate this problem is to set parameters, first by allowing only targeted candidates to apply. Targeting can be done on different levels, from looking at one candidate at a time to filtering candidates with a certain amount of experience. This can greatly simplify the process, especially when a specialized skill is required.

**Decision #2:** Whom can you trust? The main challenge OLMs face is facilitating trust between strangers. Each potential employee has an online reputation, which is similar in many ways to an offline reputation. For example, you can look at the applicant's employment history, including ratings

and comments from previous OLM employers. Additional information can include (self-reported) biographical data and even verified skill testing by the OLM. Not surprisingly, applicants with more favorable reputations command a higher wage.

**Decision #3:** How should you negotiate? Now it's time to communicate with applicants. You may have specified a price for the job, and they will have submitted bids, leaving room for negotiation. Because these websites are competitive labor markets (and hence known for reasonable wages from an employer's perspective), focus primarily on worker quality rather than haggling too much over the wage—you are already getting a good deal! Make sure both you and the applicant agree exactly on the deliverables and the terms of employment, such as how you will communicate and how often.

**Decision #4:** How should you manage employees? So you've hired your OLM employees. Almost all OLMs will facilitate their payment for you. As for managing employees, you can transition employees off of OLMs and interact with them directly (via e-mail, telephone, and so on), or some OLMs will help you with it. (oDesk even takes screenshots to show you what your employees are doing.) OLMs prefer that you stay on the system, as they charge an ongoing commission that is a percentage of employees' wages. Think carefully about the potential benefits (quality assurance, payment facilitation) of keeping employment online versus the cost (a substantial fee).

OLMs will continue to grow in importance in the marketplace. Stay aware of their quirks and balance costs against quality, and you are likely to benefit from them.

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## Discover the hidden benefits of e-mail negotiations

**When you must communicate electronically, take steps to improve your results.**

*Marcus, the president and owner of a beverage company, was growing frustrated. For two weeks, he had been trying to pin down an agreement to purchase a new energy drink from Ashley, a twenty-something entrepreneur. Ashley's recent visit to Marcus's offices in Minneapolis had seemed like a success; she had said she wanted to negotiate a sale with him directly. But since her return to Los Angeles, Ashley had responded only with brief text messages to the detailed questions and proposals Marcus left on her voice mail. Believing texts to be an inferior way of communicating, Marcus ignored Ashley's messages and kept calling her instead. He remained excited about purchasing Ashley's product but was impatient with what he assumed to be a stalling tactic.*

For many, this story will ring some bells. Just about anyone who uses e-mail or text messaging has at one time or another been confused, disappointed, or annoyed by someone's curt or confusing response to a detailed, well-thought-out message.

Electronic communications add a host of new challenges to the already complex task of negotiation. Fortunately, recent research reveals several clear benefits to using e-mail and other technology, and also suggests that we can enhance our e-mail negotiating savvy. After reviewing the most common pitfalls of e-mail negotiations, we explain how some have learned to thrive in this environment.

### **An impoverished environment**

Several research studies have found that negotiations conducted via e-mail lead to less creative, less satisfying agreements than talks that take place in person. E-mail negotiations tend to be more contentious than face-to-face meetings, and the messages conveyed in e-mails are more likely to be misunderstood.

Because they lack the visual and vocal cues that grease the wheels of face-to-face conversations, e-mail messages are said to be "impoverished" and lacking in "media richness." That is, we have to read between the lines to assess our partner's

### How smart is your smartphone, anyway?

Users of so-called smartphones, such as Apple's iPhone and Google's Android, may already be aware of a potential hazard of texting or e-mailing on them: the autocorrect feature. Your smartphone is designed to learn the words you use most and insert them when it thinks you've made a typo—but the "corrections" can lead to embarrassing moments and misunderstandings.

Take the case of Hannah, a young woman who received a text message from her father that read, "Your mom and I are going to divorce next month." In response to Hannah's alarmed reply, her father clarified that his phone had "corrected" the word Disney for him, replacing it with divorce. Other texters' phones have replaced benign words in their business correspondence with obscenities. The obvious lesson: Take a moment to proofread before hitting Send.

tone, attitude, and interest. No surprise, then, that we sometimes end up misinterpreting sincerity as sarcasm, brevity as hostility, and a break between messages as disinterest.

Physical distance also contributes to the hostility that can flare up in this medium. "Mutual invisibility" between negotiators can cause us to drop our inhibitions and write things we wouldn't say in person.

Finally, when we dash off e-mail and text messages without taking time to think, we become more susceptible to cognitive biases, such as overconfidence, not to mention simple factual errors, such as leaving off a zero in a price offer.

Simply being aware of these challenges should encourage us to take a few precautions

when negotiating via e-mail. The sidebar offers more specific guidelines on how to increase your comfort level.

### Hidden benefits

When is e-mail just as good or even preferable to "richer" in-person or phone encounters? On a practical level, e-mail negotiation can be more time- and cost-efficient than face-to-face meetings, especially if negotiators need to work out a deal in a hurry and without a lot of jetting back and forth. E-mail also allows people in different time zones to communicate at different times of day.

One study found that computer-mediated negotiation minimized power differences between parties, probably because social cues and the outward trappings of power tend to be absent from electronic communications.

E-mail also lowers language barriers by giving negotiators a chance to edit their messages and refer to dictionaries as necessary, note Ingmar Geiger of the Free University of Berlin and Jennifer Parlamis of the University of San Francisco. And though e-mail negotiations are often associated with higher conflict, one

study found that people use more polite language when writing e-mails than when speaking to each other in person.

Clearly, message recipients can review the contents of an e-mail repeatedly, something that isn't as easy to do when you meet in person. And because parties can transmit large amounts of information, e-mail can be an efficient means of exchanging detailed contract proposals and preparing agreements.

### Individual differences

As we all know, some people favor e-mail as a communication medium more than others do. Do those who prefer e-mail get better results in e-mail negotiations than those who don't? To answer this question, Geiger and Parlamis had students in the United States engage in a negotiation simulation in English, via e-mail and lasting up to 10 days, with students in Germany.

Participants who were especially comfortable using e-mail achieved significantly more profit, helped to create more joint gain, and rated their negotiation experience more positively than did those who were less comfortable with the medium. The findings suggest that individuals can overcome e-mail's lack of richness as a communication method and even thrive in this context.

The researchers also found that pairs of negotiators who sent shorter, more numerous e-mail messages achieved more joint gain than pairs who exchanged longer, fewer messages. Just as in face-to-face negotiations, more back-and-forth interactions and less speechifying suggest parties are "listening" to each other, building on each other's ideas, and developing a mutually pleasing agreement.

#### Make the most of e-mail negotiations

- **Start off synchronously.** An introductory meeting or phone or video call can help get talks off on the right foot. Research shows that pairs of negotiators who chat on the phone before e-mailing are much more likely to reach agreement than those who don't.
- **Get organized.** If you expect your online talks to last a while, consider setting a schedule and some ground rules. You might agree to meet or talk on the phone once a week to review your progress, or to finalize important deal terms via telephone.
- **Check your perceptions.** When your counterpart's tone seems hostile or dismissive, pick up the phone and ask for clarification or, when practical, set up a meeting. Chances are you'll find you can quickly regroup.
- **Slow down.** If you're tempted to dash off an angry remark, take time to cool off first. Craft your messages carefully, and if you're writing when tired or rushed, save a draft to review after you've had some sleep.
- **Respect your differences.** If your counterpart prefers to type but you'd rather talk, try to strike a balance between the two media that allows you both to feel comfortable and understood.

## How age and e-mail interact

Along these lines, members of the “millennial generation”—people born between the late 1970s and the early 1990s—may be more comfortable with short digital messaging, such as text messages, than they are with face-to-face discussion, suggests research by Livia Levine of the Wharton School at the University of Pennsylvania.

Studying the results of a game played by millennial undergraduate and MBA students that included elements of negotiation, Levine found that single-line computer messages elicited more cooperative behavior than did in-person communication.

The ubiquity of electronic communication during their lifetime may cause younger negotiators to naturally prefer e-mail and text messages to face-to-face meetings—something to keep in mind as this generation gradually makes up an increasing percentage of the workforce.

Returning to our opening vignette, e-mail might offer a happy medium between Marcus’s preference for the phone and Ashley’s facility with texting. By suggesting they combine e-mail messages with occasional phone calls, Marcus might begin to make progress with his younger counterpart.

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## Using e-mediation to resolve workplace conflict

**An emerging form of online dispute resolution can help organizations manage disputes among employees.**

When their employees get into disagreements with one another, managers have various ways of coping. For example, they can try to mediate the dispute themselves; they can make use of in-house procedures and systems set up for managing disputes, if they exist; or they can refer the case to a professional mediator.

Increasingly, employers are adding another dispute-resolution tool to that list: e-mediation, write Jennifer Parlamis, Noam Ebner, and Lorianne Mitchell in



a chapter in the new book *Advancing Workplace Mediation Through Integration of Theory and Practice*. E-mediation, or mediation that relies on some use of information technology, is a type of online dispute resolution, or ODR. According to Parlamis and her coauthors, ODR sprang up in the mid-1990s as businesses and customers began doing business in cyberspace. Companies such as eBay and Amazon set up dispute-resolution platforms on their sites to try to settle disputes over transactions cheaply and quickly.

### What is e-mediation?

Like traditional mediation, e-mediation is a voluntary process of resolving disputes with the assistance of a neutral third party, write Parlamis and her coauthors. In e-mediation, the role of technology is often likened to a “fourth party” in the process, and it is used to varying degrees. For example, e-mediation can be a completely automated system with computer-prompted information gathering, decision making based on disputants’ inputs, and no interaction from a third party at all. For the purpose of resolving workplace conflict, however, e-mediation is more likely to involve the “delivery of personalized, individual, as-close-to-traditional-as-possible mediation—at a distance,” write the chapter’s authors. Although workplace mediation is often conducted between parties who are located in different places, it can also incorporate in-person meetings.

Originally, e-mediation relied primarily on text-based communications, such as email. But thanks to videoconferencing services such as Skype and Google Hangouts, parties can now easily and cheaply communicate with one another in real time, while also benefiting from the visual and vocal cues that video conveys. Still, e-mediators continue to use email, text messaging, automated systems, the telephone, and other forms of technology to converse and coordinate during the mediation process.

Early research results suggest that technology-enhanced mediation can be just as effective as traditional mediation. Moreover, parties often find it to be a low-stress process that fosters trust and positive emotions.

## Why e-mediate at the office?

Employers might choose to use e-mediation to resolve employee disputes for the following reasons:

- **To resolve disputes among long-distance parties.** When conflicts arise between employees working in different offices or from home, e-mediation offers a way to manage conflict more cheaply or safely than bringing them together. Organizations may also be able to shorten the duration of disputes by using e-mediation because it reduces scheduling difficulties.

- **To lessen tensions in emotional disputes.** Sometimes, as in family and workplace disputes, parties may be so estranged that they can barely stand to be in the same room, let alone negotiate in person. In such cases, technology can serve as a buffer and allow for more rational and productive discussions.

- **To appeal to tech-savvy employees.** Younger workers who have used technology throughout their lives are likely to find e-mediation to be a no-brainer and may be especially suited to the process.

- **To minimize power differences between employees.** A study by Katalien Bollen and Martin Euwema of the University of Leuven, Belgium, found that subordinates who mediated a dispute with a superior were significantly more satisfied with technology-supported mediation than with traditional face-to-face mediation. The use of technology seemed to reduce the power differences that employees perceived between them and their superior. Thus, e-mediation may enhance employees' perceptions that the process is fair and equitable.

## Plugging in to workplace disputes

In their chapter, Parlamis, Ebner, and Mitchell offer best-practice guidelines for managers who are thinking of making e-mediation available in their organizations, including the following:

1. **Seek out experienced e-mediators.** Look for mediators who are trained in delivering long-distance dispute-resolution services. Mediators should have specialized training in technology-aided mediation and a strong understanding of e-mediation practices and procedures, such as which technology to use when.

2. **Use technology early in the mediation process.** Parties can streamline the mediation process by completing computer-assisted assessments of themselves

and the dispute before meeting online or in real life. This type of online intake allows the mediator to gain an understanding of the dispute without inviting discord among parties.

**3. Hold e-mediation accountable for results.** To ensure that e-mediation achieves its goals in the workplace over time, assign a point person or committee to monitor its usage and effectiveness in your organization.

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## Smart phones, smart negotiators?

**Our ability to negotiate 24/7 presents both challenges and opportunities.**

Imagine yourself in the following situations:

- A client calls you, skipping the usual pleasantries: “Why haven’t you gotten back to me? I e-mailed you about adding on to our order two days ago.” Suddenly you remember the e-mail that popped up on your cell phone while you were waiting to buy groceries. You made a mental note to respond later, but it completely slipped your mind.

- While at work, you receive a text message from your contractor about some complications regarding the remodeling he is doing on your house. You text back and forth, but the discussion gets confusing, and you grow aggravated. Finally you write, “Can’t we discuss tonight????” When you get home, you find that your contractor has left early and taken his tools with him.

- You’re supervising a team that has traveled across the globe to try to resolve a dispute with another company. Late at night, you receive a progress report via e-mail. Your response, written just before going to bed, includes an offhand dismissal of a member of the other company’s negotiating team. The next day you see that someone on your side accidentally copied the person you insulted on the message string.

As our business lives migrate online, physical tables are often absent from talks, writes Creighton University professor Noam Ebner in a chapter on e-mail negotiations in *Negotiation Excellence: Successful Deal Making* (World Scientific

Publishing, 2nd ed., 2014). The prevalence of smartphones raises challenges for negotiators, as these anecdotes suggest. On the one hand, the ability to respond quickly to an e-mail or text showcases your availability and allows you to meet tight deadlines. On the other hand, being in touch day and night sets us up for missteps brought on by distraction, heightened emotions, and fatigue.

### **When words fail us**

Absent body language, tone of voice, and social cues, negotiators must focus on the content of e-mails as they seek to understand their partners and identify whether agreement is possible. Thus, the words we choose are paramount when we negotiate via e-mail.

When negotiators take the time to express themselves clearly and succinctly, they may be able to communicate more precisely and eloquently online than they could in person. But most people don't devote enough time to ensuring that their messages are precise, error-free, and well organized. Indeed, negotiators who do business via e-mail tend to reach less creative and less satisfying agreements than do those who meet in person.

Modes of communication differ in their synchronicity, or the extent to which people work together on the same activity at the same time, according to INSEAD professor Roderick Swaab and Columbia Business School professor Adam Galinsky. Phone calls, videoconferences, and online chats allow negotiators to respond immediately to each other's proposals and questions.

By contrast, e-mail has been considered an "asynchronous media" because parties are free to delay their responses over the course of days or even weeks. The asynchronous nature of e-mail contributes to the high rate of impasse in e-mail negotiation.

The risks of negotiating via e-mail increase when we are typing responses or questions on the fly. As Ebner puts it, many of us now read and write e-mails "during classes, rock concerts, and movies." This type of multitasking makes us distracted and unfocused, abundant research has found. As a result, our e-mails may be less coherent and accurate than ever.

Meanwhile, smartphones may be changing e-mail from an asynchronous format to a "semi-synchronous" one, writes Ebner. With so many people "carrying

their in-boxes in their pocket,” he says, our e-mail and text-message exchanges increasingly are leaning toward real-time negotiations. Given the high potential for misunderstandings in electronic exchanges, conflict may escalate swiftly when negotiators are swapping messages in quick succession. At the same time, one can use the asynchronous nature of e-mail strategically, delaying a response to a provocative request by days, for example, or responding quickly to defuse an unreasonable anchor.

### **E-mail and face time: A balancing act**

How can we capitalize on the convenience of occasionally negotiating on the go while minimizing misunderstandings and mistakes? Here are three suggestions:

**1. Go into the wind.** To move upwind, sailors tack their boats back and forth, advancing in each direction rather than in a straight line. In the same manner, in a chapter in the *Handbook of Research on Negotiation* (Edward Elgar Publishing, 2013), Vanderbilt University professor Ray Friedman and Lehigh University professor Liuba Y. Belkin advise negotiators to go “into the wind”—to switch between close and distant forms of communication, capitalizing on the benefits of both and skirting their weaknesses.

Specifically, launch discussions in person when possible, or via video when it’s not. Work toward establishing the rapport and trust that might be sorely lacking if you jumped straight into online discussions.

After an initial meeting, negotiators commonly need to identify the broad questions and issues at stake. Because research has shown that online discussions are conducive to abstract thinking, this may be a good point at which to move online.

If possible, counterparts could then meet in person or via video again to share information about their interests and options, as proximity tends to encourage negotiators to open up and absorb what they hear. Next, negotiators could move to email, if needed, to identify tradeoffs and develop proposals, Friedman and Belkin suggest, and then signal their commitment to whatever agreement arises with another face-to-face meeting.

Small talk and friendly questions (“How was your vacation?”) throughout the process can go a long way toward building a trusting, cooperative relationship.

Phone calls, a happy medium between e-mailing and meeting face-to-face, can also help bridge the distance.

**2. Increase e-mail's richness.** E-mail and texts may be “impoverished” environments devoid of facial expressions (not including emoticons) and other helpful social cues, but there are ways to increase their richness, according to Ebner.

To reduce the errors and gaffes that come from dashing off messages on your smartphone, you could make a habit of turning your phone off at times when you are likely to be distracted. If you must review your e-mail, some programs, such as Gmail, allow you to flag important messages (with a star or other icon) so that they will stand out when you are back at your desk.

It's particularly important to wait to reply when you feel angry or impatient with a counterpart's message. A delay gives you time to cool off and craft a diplomatic response. If you think your counterpart is expecting an immediate reply, let her know when you plan to respond. When you do, reread your message before hitting send. Consider attaching graphs, photos, and other relevant information to improve understanding, suggests Ebner.

When you do need to answer a message quickly, add a caveat or e-mail signature informing the reader that you are using a smartphone, then review your message later. In addition, keep in mind that an e-mail lasts forever: Do not type anything that would hurt you or someone else if it were inadvertently or deliberately forwarded to others.

**3. Capitalize on benefits.** Certain people and groups may be particularly ripe for e-mail negotiation, according to Friedman and Belkin.

In one series of research studies, groups of 6 to 12 people generated more ideas and felt more satisfied with their progress when negotiating electronically rather than verbally. Electronic media can lessen the odds that one or more individuals will dominate the discussion and gives shy members of a group a chance to shine.

Second, those who have difficulty expressing anger and being assertive in negotiation may find that they are less inhibited when negotiating via e-mail. The sense of anonymity that comes with e-mail can help some negotiators, particularly women, stand up for themselves and achieve better outcomes.

Finally, research suggests that young adults—computer savvy since childhood—behave more cooperatively when doing business online. Younger negotiators may be particularly capable of adapting to the quirks of smartphone exchanges.

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