

How to Handle Video Negotiations



By Alena Komaromi (INSEAD MBA '12D), Financial Services Professional

Better get used to virtual negotiations, as they might just be the way of the future.

With so many of us confined at home to stop the spread of COVID-19, it is fortunate that much economic activity, from buying groceries to banking services, can be carried online. Typical office jobs that involve a computer, a phone and regular meetings can take place from home, even though it may require a bit of creativity when it comes to keeping the kids in check.

As it turns out, many business deals and negotiations also happen online these days. What are the upsides of these online negotiations? And what can we do to counter their downsides, especially when it comes to videoconferencing (VC)? This article will focus on VC using personal devices such as laptops or smart phones, as classic meeting-room videoconferencing carries its own nuances.

As opposed to email, phone calls or instant messaging, VC is the tool that resembles regular face-to-face meetings the most. That being said, it can't convey as much information about the parties' non-verbal cues. And sometimes, during technological glitches, we might miss a few words and refrain from asking the person to repeat, thus missing out on verbal cues as well.

Fostering trust

Psychologist Albert Mehrabian is famously quoted as having said that 93 percent of all communication is non-verbal. To be more exact, his [research](#) showed that when words and non-verbal cues, such as body language, *don't match*, people refer to the actual words spoken to decode the message only 7 percent of the time. Most often, in case of doubt, they rely on visual clues (55 percent of the time) or the tone of voice (38 percent of the time).

At any rate, non-verbal language is critical in communication. But in a typical VC, we only see as much of our counterparty as they present to us via a screen. Naturally, we miss some of their body language such as their hand gestures. Another issue is eye contact. Most people appear to be looking downwards due to the usual positioning of the camera. These factors can make it difficult to establish rapport and build trust.

In their [paper](#), Noam Ebner and Jeff Thompson advise to position yourself so that your facial expressions, hand gestures, posture and body orientation are clearly visible to your counterparty. While this means you should include some background (as opposed to having a close crop of your face), it should not distract from the conversation. Fortunately, most VC platforms allow you to see your own image on the screen and check how you come across.

In the same vein, a VC requires more focus than a face-to-face chat, [says](#) INSEAD Associate Professor of Organisational Behaviour Gianpiero Petriglieri. VC is more tiring because we need to work harder to process non-verbal cues like facial expressions, the tone and pitch of the voice, as well as the body language.

Silence is another challenge, Petriglieri adds: "Silence creates a natural rhythm in a real-life conversation. However, when it happens in a video call, you become anxious about the technology." It also makes people [uncomfortable](#). According to one [German study](#), delays of a mere 1.2 seconds during a phone call or videoconference can lead to a perception that

the person is less friendly or focused, thus getting in the way of building trust.

To address the trust issue, you may want to set the right tone by saying (paraphrasing advice given by [Ebner](#)): “I’m glad we can use this platform to talk. It’s almost the same as face to face!” Where appropriate, start with a casual chat (e.g. using [ice breakers](#)) before getting down to business. You could also leverage your background environment to convey a more personable image. By allowing your counterparty to see your home, you invite them to learn a bit about you as well.

Don’t let technical aspects trip you up

Technological glitches could be another impediment to fluid negotiating. Connection problems and frequent interruptions not only waste time, they also make us lose track of what is discussed. Furthermore, counterparties should refrain from using any glitch to suddenly backtrack, as it would create a serious breach of trust.

To ensure the negotiation does not spiral downwards because of technical issues, it is important to practice using the technology before an important negotiation. Everyone knows how to mute their microphone, but uploading a document or sharing one’s screen can be trickier as not all VC software are the same. It would also be wise to upgrade your internet connection; download speeds are usually sufficient but upload speeds can wreck an otherwise smooth experience.

Recently, many media reports have pointed out the potential [security and privacy flaws](#) of VC software. For example, online recordings of the call might become available to third parties. The issue is not just spying. Your counterparty may show the recording of your negotiation to an advisor, thus gaining an unfair advantage. However, it is true that face-to-face meetings can also be recorded. By default, you should conduct your negotiations based on the assumption that external parties may access the information.

Mastering the way of the future

In face-to-face meetings, the time and effort (e.g. travel) put in by the parties often implicitly demonstrate the importance of the partnership. In this era of physical distancing, another way to show respect and commitment is to dress the part and prepare thoroughly as you would for

any regular meeting.

In these challenging times, VC has the benefit of being a considerably cheaper means to conduct negotiations than face-to-face meetings. Given the fact that many companies are struggling due to contracting economic activities, VC may be a more sensible way to conduct business going forward, at least until the situation returns to normal, which could take **months if not years**. Hopefully, business negotiated via VC will help companies save costs and navigate stormy waters to a calmer and safer harbour in the future.

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About the author(s)

Alena Komaromi is an INSEAD alum (MBA '12D), Entrepreneur and Financial Services Professional.

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