



# Science Set Journal of Economics Research

# Particularities of the Negotiation Process in Crisis Situations

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#### Abstract

Crises are extreme, unexpected, and unpredictable events, classified as major or minor, internal or external. At the organizational level, the impact of a crisis depends on how the organization manages the disruption, and those that perceive it as an opportunity to learn may identify new ways of adapting. This paper aims to identify the advantages and limitations of negotiation processes conducted online as a result of a pandemic event. In order to carry out this study, we created an online questionnaire that was applied to specialists in the field. Following the research, we found that during the pandemic, negotiators were forced to negotiate online, due to the context created by the pandemic. However, most specialists mentioned that the idea of only negotiating online during the pandemic was a very good one because it reduced their meeting costs because they would have had to pay for flights to negotiate a face-to-face meeting or to pay for lunches in case of a more important negotiation. Among the disadvantages mentioned by specialists regarding online negotiation, they mentioned that online communication makes it more difficult to present non-verbal cues, as well as technical and security issues.

Keywords: Online Negotiation Process, Crisis Situations, Online Negotiator Model.

## Introduction

Through this study, we aimed to study the impact of the Covid-19 pandemic on negotiations. In order to carry out this study, we created an online questionnaire that was applied to specialists in the field.

Following the analysis of specialized studies, we found that this topic has not been studied at the level of Romania, so this represents an element of novelty.

As far as the definition of online negotiation is concerned, it enables efficient and fast virtual communication. So, most of the time online transactions offer unparalleled convenience.

The reason why we set out to study this topic is due to the fact that the nature of organizational negotiations has changed with the Covid-19 pandemic. This has forced organizations to shift to technology-based methods of communication. So currently, face-to- face contact is still preferred in certain circumstances, but face-to-face negotiation is no longer among negotiators' preferences [1]. However, to negotiate effectively these days, it is necessary for the negotiator to understand both styles and decide whether face-to-face or online negotiation works best for him and his team [2].

The problem from which we started in carrying out this study consists in the fact that during the pandemic, people had to change their behavior, such as working from home, or getting home as quickly as possible from work and wearing a mask in space public. This affected the way negotiators communicated with potential clients. Because people had to wear masks during face-to-face meetings (in case they were really urgent), negotiators couldn't read facial expressions. They also had to switch from face-to-face negotiation to online negotiation, which, as with masks, negotiators could not read the non-verbal language of the interlocutors.

Additionally, it has been noted that negotiating with a stranger

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can become unsettling, and having a voiceless and faceless opponent can make things worse. The study by Naquin and Paulson (2003) showed that people approach online negotiations with a lower level of confidence than they approach face-to-face negotiations. This finding may be related to the possibility that online interactions are more likely to involve exaggerations and lies, as well as a greater degree of unethical, harmful, or negative behaviors [3].

Starting from this problem, we formulated the research question to which we aim to obtain an answer, namely: What was the impact of the Covid-19 pandemic on the negotiations? In this study, we propose to apply research to the negotiation specialists as we aim to find out to what extent the Covid-19 pandemic has affected their communication style with potential clients. At the same time, we want to find out if they also mentioned the style of negotiation they had during the pandemic after we entered the period of normality.

# **Literature Review - Impact of the Covid-19 Pandemic on Negotiations**

Labor markets and national economies around the world have been significantly and suddenly affected by the COVID-19 epidemic. It was particularly important for governments to respond immediately to reduce the negative consequences of the crisis on residents, employees and businesses. So, business was also affected on the negotiation side. Firms have been forced to move from face-to-face to online negotiation.

Today, online negotiation is now a fundamental part of working life in organizations. Online negotiation presents a number of advantages, among which we mention the fact that through the Internet, all parties can view the same document at the same time and make changes that are monitored in real time [4].

Also, online trading is now based on simplicity and convenience. However, when engagement occurs only through online means, developing trust and managing online relationships can be more difficult [5]. Online negotiation techniques consist of: phone calls, e-mail or video conferencing [6].

Email is a more popular medium for this type of negotiation, at least for part, if not the entire negotiation process, especially in our more globalized economy where many business negotiations take place with people who are not nearby [7]. For example, attorneys may begin the negotiation with a series of emails before moving on to phone calls, document submissions, and finally face-to-face meetings. Therefore, email negotiators would be wise to learn more about how these particular relationships grow and what tactics might help or hinder the emergence of trust in this setting, especially if applied early in the negotiation process [8].

But before online, discussions during negotiations were done through face-to-face meetings and sending documents. However, there are a number of disadvantages of face-to-face negotiation, including: face-to-face negotiation may be unsuitable for large organizations due to high costs if negotiations have to take place in other countries or localities, face-to-face negotiation face-to-face may be inappropriate for certain categories of people or depending on

their gender, face-to-face negotiation may be inappropriate for people who are under time pressure [9].

Among the advantages of face-to-face negotiation, we find: face-to-face communication allows reading body language. Face-to-face communication makes it possible to effectively transmit information from the speaker to the listener. It allows the listener to pay attention to the speaker's body language, facial expressions, and gestures in addition to the information heard [10].

Face-to-face meetings are more productive than online meetings because they allow for fruitful discussions and ensure productivity and value for the time invested in the meeting in situations where a firm wants to improve its decision-making ability [11]. Starting from these considerations, we will further present the research methodology.

### **Research Methodology**

The research question we aim to answer is: What was the impact of the Covid-19 pandemic on the negotiations?

The purpose of the research is to analyze the impact of the Covid-19 pandemic on negotiations. To carry out this study, we created an online questionnaire that was applied to specialists in the field of negotiations between November 27- December 12, 2022.

The questionnaire was created in Google Forms and distributed via LinkedIn and E- mail to negotiation specialists. After applying the questionnaire, we managed to collect 40 answers. The specialists received 9 questions, of which two of the questions were filters, with the aim of selecting the study participants, namely, using negotiation in the company in which they work and have dealt with the part of negotiations in the company during the pandemic. Otherwise, the questionnaire stopped.

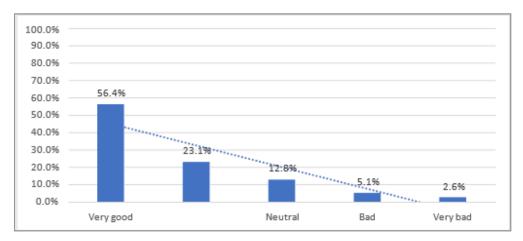
Then followed seven questions about negotiation, namely: how it was to negotiating only online during the pandemic, what was the most frequently channel of communication you used during the pandemic if after canceling the pandemic restrictions, they still kept the same communication channel, the main disadvantage that stood in the way of online negotiation, the main advantage that they noticed during online negotiations, which is the way to negotiate that they like the most and in which area deals with negotiations.

### **Results and Discussions**

To question no. 1, how it was to negotiate only online during the pandemic? 56,4% of the negotiation specialists said that they liked the idea of negotiating only online during the pandemic, 23,1% of the negotiation specialists mentioned that they liked the idea of negotiating only online during the pandemic, 12,8% of the negotiation specialists said were neutral in expressing their opinion, 5,1% of the negotiation specialists mentioned that they thought the idea of negotiating online was bad only negotiate online during the pandemic, and 2,6% of negotiation specialists mentioned that they found the idea of negotiating only online during the pandemic very bad.

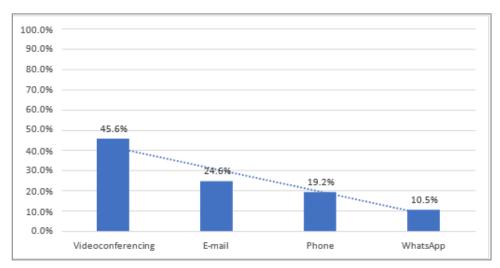
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Table 1: Negotiating Online in the Pandemic



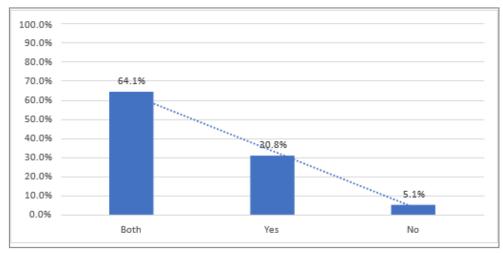
Regarding question no. 2, what was the most frequently channel of communication you used during the pandemic? 45,6% of negotiators mentioned video conferencing, 24,6% of negotiators mentioned video E-mail, 19,2% of negotiators mentioned the phone, and 10,5% of negotiators mentioned WhatsApp.

Table 2: The Communication Channel Used in the Pandemic



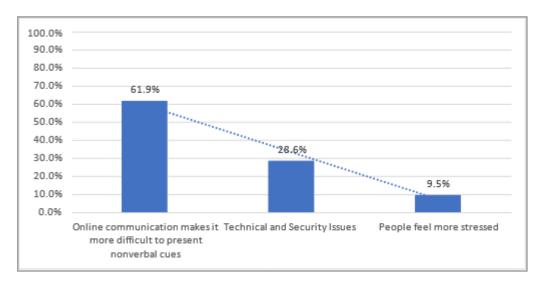
For question no. 3, after canceling the pandemic restrictions, they still kept the same communication channel? 64,1% of the negotiation specialists mentioned that they currently combine the forms of communication, 30,8% of the negotiation specialists mentioned that yes, they still kept the same form of communication, and 5,1% of the negotiation specialists mentioned that no, they did not continue to keep the same form of communication.

**Table 3:** Communication Channel Kept



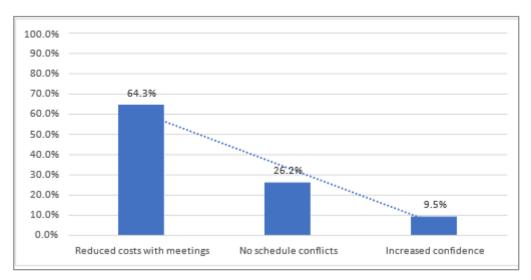
To question no. 4, which is the main disadvantage that stood in the way of online negotiation, 61,9% of the negotiators mentioned that online communication makes it more difficult to present non-verbal cues, 28,6% of the negotiators mentioned technical and security issues, and 9,5% of negotiation specialists mentioned that people feel more stressed.

Table 4: The main Disadvantage that Stood in the Way of Online Negotiation



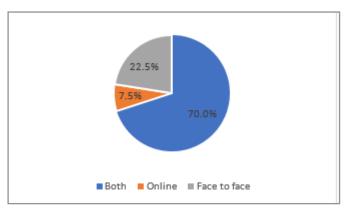
Regarding question no. 5, what is the advantage you noticed while negotiating online, 64,3% of negotiators mentioned reduced meeting costs, 26,2% of negotiators mentioned no schedule conflicts, and 9,5% of negotiators mentioned the area of negotiations mentioned the increased confidence.

Table 5: The Advantage Noted During Online Negotiations



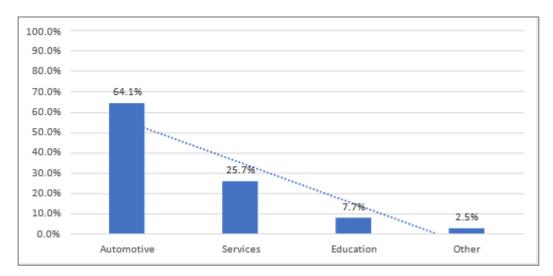
For question no. 6, which way to negotiate do you like the most, 70% of negotiators mentioned that they prefer both online and face-to-face negotiation, 7,5% of negotiators mentioned that they prefer online negotiation, and 22,5% of negotiators mentioned that they prefer face-to-face negotiation.

Table 6: The Way to Negotiate



To question no. 7, in what field do you negotiate, 64,1% of negotiators mentioned that they work in Automotive, 25,7% of negotiators mentioned that they work in service sector, 7,7% of negotiators mentioned that work in the education, and 2,5% of the negotiation specialists mentioned that they work in the other sectors.

Table 7: Field of Activity



Starting from the study carried out, we created the online negotiation model.

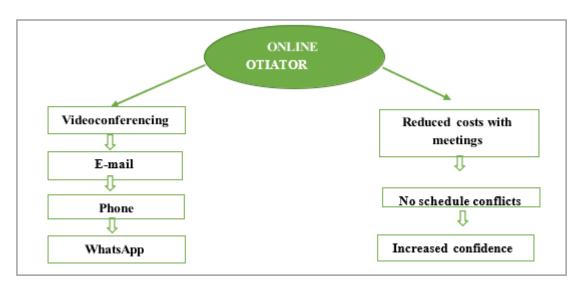


Figure 1: NEON - The Online Negotiator Model

So, an online negotiator has to adapt to the client and negotiate by Videoconferencing, E-mail, Phone and WhatsApp.

Also, negotiators prefer to communicate online because online allows them to reduce their share of meeting costs, there is a lack of time slot conflicts, and they have greater confidence in their own strengths.

### **Conclusions**

The purpose of the research was to analyze the impact of the Covid-19 pandemic on negotiations. To carry out this study, we created an online questionnaire that was applied to specialists in the field of negotiations between November 20- December 10, 2022.

Following the research, we found the following: most negotiation specialists mentioned that they liked the idea of negotiating only online during the pandemic.

Regarding the most common form of communication, they used during the pandemic, most negotiators mentioned the Video conferencing, followed by e-mail and phone. The study by Leonardelli et al. (2019) show that understanding the characteristics of online negotiations can help negotiators take advantage of them and reach the best deals. The difference between video conferencing and other remote negotiation techniques such as the telephone is staggering.

Specialists in the field of negotiations mentioned the fact that they currently combine forms of communication (online and face-to-face).

Among the main disadvantages that stood in the way of online negotiation, negotiation specialists mentioned that online communication makes it more difficult to present non-verbal cues, and the second place was technical and security issues.

The typical length of a business phone call is about five minutes. It's just that it can be quite difficult for a negotiator to establish trust when there are no non-verbal cues [12].

A 2012 study found that face-to-face negotiators were more

likely to reach a resolution sooner than those who spoke on the phone. This shows that through face-to-face communication where one can observe non-verbal (based on gestures, facial expressions, eye contact, etc.) and para-verbal language results in a stronger bond, more cooperation, more results win-win [13].

Regarding technical issues, during the pandemic it was not uncommon for a member of the conference to disappear or to have problems with the camera or microphone. It's just that it's annoying and disrupts the flow and mood of negotiations. So, during the pandemic there was a need for all participants to have access to a reliable Internet connection, to have security on the Internet side and not to have the potential for unauthorized registration. This was disruptive in negotiating sensitive topics [14].

Among the advantages noted by negotiation specialists, they referred to the reduction of meeting costs, lack of schedule conflicts and increased trust.

The way negotiation took place before the pandemic has been changed by the coronavirus outbreak. For all the negative effects of the pandemic, there were also benefits to consider. For example, many people have found that they can accomplish their goals without having to travel miles for a small negotiation. Thus, online meetings have helped reduce environmental costs and save companies millions of dollars in travel expenses. Managers were also spared from spending hours on planes, buses or trains [15].

Also, most negotiation professionals mentioned that they prefer both online and face- to-face negotiation.

However, we must also consider the type of people with whom the negotiation is carried out, because the results are not similar in both cases.

A study found that when eye contact is allowed, women are more likely to reach an agreement than men [16].

On the other hand, face-to-face interaction between men makes them feel uneasy and is perhaps best reserved for tense and complicated discussions. In addition, women usually do better in online negotiations. Because telephone or online negotiations reduce the pressure on women to exhibit gender-appropriate behavior, it is easier for them to be more assertive [17]. More winwin situations are produced when negotiators believe that the opposing party is far away [8].

In terms of the field in which specialists deal with negotiations, they mentioned that they work in the Automotive field, followed by services, education and others.

Starting from these results obtained as a result of the research, we created the model called NEON - The model regarding the profile of an excellent negotiator (acronym for online negotiator).

Thus, we propose as a recommendation that humor be used in online negotiations. In general, humor is related to fostering goodwill among strangers and may be even more effective in tense situations than in neutral ones [18]. Humor has been shown to improve coping skills and foster closer social interactions between people and has been associated with higher levels of trust, cohesion, stress reduction and creativity in workplace settings [19].

Through this model, we aim to support Romanian negotiators to improve their digital skills necessary for this field of activity. Regarding the topic of the research study, this is a new one, as it has not been studied before at the level of Romania.

The study was applied only to 40 negotiation specialists, so the data cannot be generalized.

Regarding future research directions, we aim to study the impact of the preparation of the negotiation steps has on the financial evolution of the company and the effectiveness of the negotiation style applied by the company specialist [20, 21].

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