

## The Impact of New Communicational Technologies on Negotiations

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**Abstract:** This article is intended as a continuation of the one published in the previous issue of the magazine, covering the role of e-mail in organizational communication, the advantages and constraints of this communication means. We have shown that electronic message has its rules and its traps, of which we need to be aware, because they can influence the winning or loose of a business. In this article we shall discuss the way in which and the reasons why new communicational technologies can influence both the result of negotiations, and the negotiators' behavior, while it is of common knowledge the fact that in a negotiation communication implies more than a simple information exchange. The economic crisis places the managerial team in front of various situations both on a financial and psychological level, and that is why the volume of direct negotiations has increased. The success of negotiations under these circumstances highly depends on the communication (and negotiation) skills of the manager and his/her team; it also depends on the way in which the manager and his/her team negotiate with the employees, and with those outside the company (customers or suppliers, partners, financiers etc.).

**Keywords:** communicational technologies, electronic negotiations, behavior, non-verbal language, "techno-negotiators"

Organizations are like automobiles. They only run by themselves downwards— said a technician of the corporate world. By his place and role in rapport to the company's management, the manager represents an important success factor in an organization, because he is at the center of the communication flows.

Globalization, increasing competition in the economy place new challenges in front of negotiators, and negotiation is gaining a new dimension. The interaction speed is increasing, due to new communicational technologies, and those who negotiate should exceed the cultural borders in order to fulfill their

tasks. Businessmen in Romania have started to become aware of the need of professional negotiation, because by successful negotiation they can increase their incomes, they can improve their self-perception and their attitude to others.

We live in a society in which coordinating all activities depends on the way in which people interact. Negotiation goes beyond the business environment and becomes a social regulation tool. Negotiation is an art, also containing technical elements. The negotiation technique can be achieved by education and practice. Knowing negotiation techniques, tactics and strategies has become a purpose for managers, as well as for their assistants, helping them to develop their ability of closing down profitable business under both an economic and psychological aspect.

May they be simple or complex, negotiations are all about people and communication. Nowadays, the two important aspects of human community are increasingly referred to: *communication* in general and *negotiation* in particular, as the latter cannot exist outside communication. Negotiation takes place by communication and within such, and it determines great adaptability, flexibility and particular nuances to communication itself, depending on the negotiation situation.

Negotiation can involve two or more individuals; it can take place within or between companies, between different activity areas or between states. The circumstances that determine the need for negotiation are extremely varied and numerous. We negotiate both in our personal lives (with our children, wife/husband, with our neighbors etc.), and in our professional lives.

The economic crisis influences companies' behavior in relation to their employees,

suppliers, business partners, with increased negotiation volumes. We get involved in more direct negotiations, because due to the deepening of problems, companies' faith depends on such negotiations, and the role of the manager becomes particularly important: employees' salaries are renegotiated, namely reduced by upon certain percentage (sometimes with the employees' agreement); negotiation is used in order to cut down certain benefits and bonuses (launch coupons, company cars etc); costs are renegotiated, as well as mergers with other companies or even the sale of stock packages. The economic crisis generates various situations for the managerial team, both on a financial and psychological level, and it is up to the managerial team's abilities of communicating and thus of negotiating to overcome such situations.

Numerous definitions of negotiation have been suggested, because, we like it or not, we live in the "negotiation era". In a wide sense, "Negotiation – said Leigh Thompson in his book "The Mind and Heart of the Negotiator" – is an interpersonal decision making process, which is necessary whenever we are unable to achieve our objectives by our own". Business negotiation is a particular form of negotiation, focused on the existence of a product or of a service on one hand, and of an unsatisfied need, on the other hand. Agreement is of commercial nature and it can take the shape of a trading deed, a convention, an order, a sale-purchase agreement, a joint venture, a leasing agreement or simply the amendment of a clause, of the price, of quality conditions, delivery, transport etc.

Negotiation can also be regarded as a main form of interpersonal communication, a complex set of processes, activities

consisting in contacts, meetings, consultations and discussions between two or more partners for the purpose of reaching an agreement. Negotiation implies several phases that need to be understood and prepared by negotiators.

The phases of the negotiation process are pre-negotiation, negotiation and post-negotiation. Beside these phases, a fourth phase exists called by specialists "proto-negotiation", comprising the permanent tacit harmonization of view points, attitudes and interests. The framework in which this phase takes place (economic and political situation, internal and international conditions, the mass-media created atmosphere) are particularly important in the finalization or blockage of discussions, yet it cannot replace the negotiation itself.

Modern communication techniques, rapid business internationalizing and globalization have determined major changes in the way negotiations are being carried out. Depending on the manner in which they take place, negotiations can be:

- Direct (face to face) – in the same time, in the same place;
- Indirect – by letters or by modern communication means (phone, e-mail, phone or video conference etc.); in this case, a system (E) addresses to another (R) by using various channels (C); such can be in the same moment, yet in different places (phone, video-conference) or in different time and place (e-mail, vocal messages, letter). Knowing the advantages and disadvantages of each negotiation modality allows for managers and professional negotiators to achieve a rational and efficient combination of

the communication forms used in various situations.

Indirect contact is preferred by most negotiators for initiating business relations, when negotiators know each other only briefly, or when "sensitive" negotiations are involved, such as price negotiation for instance.

Unlike phone, e-mail and other indirect communication, direct communication stimulates synchronization and the establishment of interpersonal rapport, which leads to increased trust and adoption of cooperative behavior from business partners. First, the face to face contact is the best way of building an efficient relation; it is a modality allowing for the partner to evaluate our message and for immediate reaction from such, so that to allow for the message to be "adjusted" to the receiver's reactions: questions can be asked, issues can be raised, objections can be withdrawn etc. Secondly, although they rarely become aware of this, people also use non-verbal signals in their communication. Specialists estimate that approximately 70-80% of the messages' sense is comprised in the non-verbal side of communication. Sometimes face expression, mimics, posture, gestures, statute, distances, physical appearance, tone of voice, rhythm of speaking etc. are more important than words. In negotiation, a message is transmitted even when partners are quite or when they make no gesture. For instance, silence in negotiation has certain communicative functions: it reinforces or creates tensions in the relation, it can derange or encourage, it expresses agreement or disagreement, it is an indicator of caution or reflection etc. Also, silence can be an element of action, used either in order to provoke a moment of crisis, or in order to overcome one.

As words, non-verbal communication should not be removed from its context. It should be interpreted depending on the environment, previous relations, cultural context etc. Non-verbal elements of human behavior are essential in setting up close rapports between negotiators (they help them synchronize their opinions, to be on the same "page", which is very important for the way in which negotiations go on). For instance, if our negotiation partner stands far away from us, if he/she crosses his/her arms (which can be interpreted as a defensive attitude, or a sign of resistance to our gestures) or if he/she avoids eye contact, that means he/she is a distant, not too sincere person. Usually non-verbal message is transmitted together with the verbal one, with which it is complementary. Cases exist when the sense of the non-verbal message conflicts with the verbal one, in which case we are tempted to believe the non-verbal component. That is why those who are part of the negotiators team should be good psychologists in order to detect, for instance, a nervous person hiding behind fine humor.

We can say that clear unequivocal situation in interpretation of non-verbal messages are quite reduced when it comes to different culture (nodding one's head from back to front has an affirmative meaning in some cultures, and an opposite sense in other cultures). That is why, when our partner comes from other cultures, we should prepare ourselves accordingly, we should study the "adversary", in order to know what to expect during the meeting and which habits are more important. Business etiquette and intercultural diversity have become essential not only for executive, but also for employees. Global and transnational business entities have brought people together and have emphasized different values, behaviors and habits.

Disregarding the business partner's culture could lead to conflicts. Here is an example: Euro Disneyland in Paris was created by Walt Disney Company. The project included Disney costumes for all employees, behavior rules forbade alcoholic drinks in the park, and meetings were to be held in English language. French people considered these prerequisites and restrictions as an attempt from Americans to impose their culture. From this to conflict it was only one step. Employees mobility was extremely high for these reasons and costs increased considerably.

Almost with no exception, the status and position of negotiators influence discussions and direct negotiations. Following studies in this area, it has resulted that managers speak more than their subordinates, men speak more than women, and the person sitting at one end of the table speaks more than the others. Also, it has been noticed that negotiators who sit facing each other establish closer personal relations than those sitting side by side, and appearance (those wearing suits get more attention than the others) influence the perception over status.

It is not by chance that managers of large companies pay great attention to choosing their negotiators team. For instance, it matters of how many members the team is formed: they do not have to be too many, nor too few, and one woman should be included in such. The presence of a woman in the negotiators team, say the specialists, slows down high tone discussions and rude language. Also, if the team has "filling" persons, the other team will spot them, which might influence the morale of the entire team.

We must admit that face to face negotiations can come to dead ends, but improvised conversations, continuing discussions

outside conventional discussions (for instance, in front of a beverage automatic machine, in the coffee break or on lunch) can save the situation. This is not the case of indirect negotiations (phone, e-mail, letter). The manager's traveling for thousand of miles in order to have direct negotiations with business partners is perfectly justified. The best results can be achieved by direct contact, nonetheless involving higher costs.

Direct meetings, say psychologists, create important processes on a behavioral, cognitive and psychological level, and the focus on human factor represents a mandatory prerequisite from negotiators.

Lack of direct contacts can determine tensions or conflicts, which can be more rapidly solved by direct interpersonal communication. We can say that face to face negotiations benefit of the following advantages: high levels of closeness between business partners, which can lead to initiating and developing positive communication relations; communication is spontaneous, direct and benefits both from verbal messages, and of non-verbal messages; feedback is instantaneous.

It is equally important the fact that in the current context, communicational technologies remove cultural barriers, communication inhibitions, it eliminates social distances and differences and helps us win time.

In the information era, in the business world the concept "time is money" can be replaced by "technology is money", because due to new information and communication technologies, distances between business partners are no longer an obstacle to the closing and even carrying out of thousands or millions of euro.

As said before, negotiation consists

of several phases and most times partners cannot meet fact to face during the negotiations, and that is why the use the telephone, e-mail, video or phone conference. From all, electronic mail (e-mail) has become the most used techno-negotiation means.

It is important to know how new technologies (especially the e-mail) influence negotiations, and the behavior of negotiators.

In case of interaction by electronic means such as e-mail, the statute differences are minimal. Some negotiators become more powerful, more persuasive in supporting their arguments when they are in front of their computer than if they were face to face with their partners. Obstacles related to appearance, sex, age, manners disappear, making people react more easily and more firmly than in direct interaction. Sometimes those who lose a position negotiating face to face win by communicating by e-mail. Also, negotiators who use technology in order to communicate are tempted to risk much more in respect with winnings and losing.

The "electronic" negotiations do have some disadvantages:

- lack of non-verbal language;
- the quantity of electronically transmitted information or even information sent by classic mail is smaller than the one transmitted by direct communication.

The quantity of directly transmitted information, the wideness of the message referring to the number of subjects approached in the discussion contribute to the reinforcement of interpersonal relations (the two partners have the chance of finding more about one another). Another important aspect in a negotiation is the depth of the message, which implies that interlocutors provide essential information about their relation, information of personal

nature, expressed by themselves (projects, concerns etc.). In this respect, Irwin Altman and Dalmás Taylor, in their paper *Social penetration: The development of interpersonal relationships*, 1973, created a model of social penetration by noticing that depending on the level of implication of their message's wideness and depth in establishing interpersonal relations, a relation can self-destruct or on the contrary it can evolve and become more powerful. In the electronic communication (phone or video conference, e-mail) the wideness and depth of messages are almost inexistent;

- the lack of immediate feedback;

- e-mail negotiation can make people break social norms more often, to forget about etiquette; they are much less polite than in direct interaction, and are more concerned with the content of the message and less concerned with the way in which it is formulated. Sometimes, electronic messages are more aggressive and negotiators forget that they are not "passing", because an e-mail message can be recovered at any time, even if deleted. Let us not forget that what is written remains written, even if we are speaking of a classical letter or an e-mail. A well written e-mail can represent us in a place where we cannot be, it can protect our interests when for objective reasons we cannot do it in person, and transmitted information can be extremely persuasive;

- lack of unconventional discussions and lack of small talk leads most times to blocked negotiations.

All these inconveniences make technonegotiators suspect one another of lack of trust and lying.

More and more concerned with their companies' success, businesspeople have

found solutions to this. They think a mix of the two types of negotiation can lead to good examples, especially when distances are very large, and time is becoming a problem. Thus, in case of direct negotiations, in order to gain time it is recommended for initial discussions to be carried out by e-mail, and direct meetings to solve the main issues in detail.

Also, before starting electronic negotiations (by e-mail) it is recommended for a brief face to face meeting of the partners, or for a video-conference or phone discussion to be arranged. Prior discussions before starting the actual electronic negotiations have the role of increasing the quality of the relation, of increasing cooperation and trust. It is important to know that the success of business relations also depends on the informal discussions during exchanging gifts, having coffee or tea etc., which are personal only in direct, personal relations.

The increasing use of electronic format in the business world imposes for the same trust and security feeling from partners as in the case of the classical business doing. This aspect has been solved by the digital signature.

The impact of using electronic negotiations goes beyond all management and information securitization aspects: electronic communication can represent evidence in court. By using digital signatures, potential scenarios from negotiators regarding the forgery of e-mails or contractual information are becoming unlikely. Also, digital signature provides increased "weight" to electronic documents in front of dispute settlement courts. For Romania one of the main issues of electronic commerce is the dispute resolution regarding cases of agreements concluded online. And that is because the classic juridical

system is not yet adapted to the dynamic of electronic trading, and the costs of using such are sometimes too high compared to the rewards.

We live in a society based on information and knowledge, and large companies are using more and more the rapid transfer of information from one point to another. If words become obstacles in front of clients' getting the message, they would lose too much time in order to decipher such and will renounce the company's services or products. Most times the message is hidden behind logos and appealing visual concepts, yet it remains the product of less elaborated thinking. That is why business people should pay particular attention to drafting messages in both the classic form (letter) and in the electronic form (e-mail). The material support of the letter influences the way in which people write, so that the freedom of expression and independence of the rhetorical plan should be reconsidered.

Correct drafting of messages allows one to get to know the others and oneself, and

represents the way to efficient communication. Here are some prerequisites that need to be complied with by those drafting business messages: efficiency and credibility of transmitted information, grammar accuracy of the message, appropriate drafting style, psychological effect (ideal case: motivation, not manipulation), positive attitude and expression etc.

In conclusion, we can say that the new communicational technologies can influence behaviors, negotiations results, especially the economic and social aspects. A certain communication channel can influence the form and content of the message, yet it is important for negotiators and managers to fully understand the advantages and disadvantages of the used communication means (channels).

The impact of IT&C on business leads to a change in the perception of information as production factor. If business used to be about people, technologies and capital, in the new economic vision we can speak of people, technologies, capital and information.

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