

# Approaching Trade Negotiations Under Atypical Conditions Created at Global Pandemic Level

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**Abstract**—The daily complexity of contemporary socio-economic life, the way in which participation in trade negotiations is carried out in atypical conditions, has become an indispensable international economic requirement of the economic progress of each entity. The intensification of the preoccupations for ensuring competitive conditions on the market is reflected in fact and by the cooperation of the economic agents in the negotiation processes. The priority of using a more appropriate framework based on fair, equitable negotiations, but also other economic relations between companies, in atypical conditions is becoming more current and necessary. The study presented by the authors represents a challenge of atypical situations regarding the negotiation process based on the three classic pillars. The results of the research allowed the formulation of concrete conclusions and recommendations for the business environment included in the trade negotiations to ensure the economic efficiency and competitiveness of the entity as a whole. The research is relevant and important due to its continuity reserved by the authors until the end of the atypical situation in which the study is carried out.

**Keywords**—trade negotiations solving atypical situations, motivation, the effectiveness of the employees' activity, team leader

## I. INTRODUCTION

The topic of negotiations has been treated since the sixth century BC and paradoxically is a fairly current topic today. The treatment of the negotiations was found in several areas, both common and complementary. In each case, the negotiations are associated with the advantage of winning and reaching an agreement. This topic will be treated in this research with managerial and commercial effects, a fact for which the behavior of traders during the pandemic caused by COVID-19 aroused interest. The fact that history repeats itself

is no longer a novelty for anyone, but the fact that in contemporary medicine has reached a high level of approach and treatment of diseases and precisely this field to create major problems worldwide no one has expected. First of all, a virus that, after the aggression, is not in the top of the most aggressive viruses, but which nevertheless created economic, financial, social, medical problems, etc. on several continents. The peculiarities created by the new pandemic followed several stages for the business environment, first panic and fear, possibly cessation of activities and finally the search for solutions to continue activities without risk and danger of infection. One of the effective solutions is related to information technologies, which allow more and more remote activities to be carried out. This perspective is also for the current negotiation process, especially given that during the period of cessation of economic activities, the trade sector did not cease to operate for a minute. In these conditions, following the activity of the economic agents in the field of trade, we propose to the public the following research that will offer solutions for online negotiations.

## II. BIBLIOGRAPHY STUDY IN THE FIELD

Evolutionarily, in the approaches of the negotiations in the managerial concepts, several schools were outlined, each of them having certain representatives, opponents. The issue of negotiations has been the subject of discussion for international authors such as:

- Herb Cohen [1] - Negotiation is an area of knowledge and effort that focuses on winning the favor of people from whom we want certain things;

- François de Callières [2] - Negotiation is the way to reconcile the advantages, the interests of the parties concerned;
- Mark H. McCormack [3] - Negotiation is the process of obtaining on the one hand the best conditions, and on the other hand begins to act in their interest;
- Gerard I. Nierenberg [4] - Negotiation is a means of achieving one's goals in every relationship, regardless of the circumstances;
- Roger Fisher & William Ury [5] - Negotiation is a basic means of getting what you want from others;
- Kotler Philip [6] - Negotiation is reduced to the notion of exchange, which can be routine exchange, in the case of fixed prices and negotiated exchange, if the price and other conditions are fixed through negotiating behavior;
- Etc.

These approaches allow authors to describe ways in which an organization can develop obvious strategies in the process of reaping benefits from their partners. Theories of the concept of negotiations continued with arguments brought by the young local researchers, among which we mention:

- Deac Ioan [7] - Negotiation is the form of communication that involves a communicative process, dynamic, adjustment, agreement in case of conflicts of interest, whereby two or more parties, animated by different motives and having their own objectives, mediate their positions in order to reach a mutually satisfactory agreement;
- Cojocaru V., Burlacu N. [8] - "the negotiation manager has as field of activity (role) and is responsible for the presence of the organization at all important negotiations and negotiations";
- Braicu C. [9] - the process of harmonizing the interests of the participants in an action of foreign trade or international economic cooperation in order to find an agreed solution;
- Șargu Lilia [10] - negotiation as a method of understanding, amicable, peaceful, benevolent, humanistic through which two or more participants analyze a multitude of solutions, arguments, objectives, tasks, etc., with the aim of establishing a treaty by mutual agreement (verbal or written), accepted by all participating parties;
- Claudiu Coman [11] - negotiations are communication processes through which the parties make known their interests, prices, products and cooperation intentions.

Business negotiations are particular in the behavior, structure, techniques, strategies and tactics used during the process. For traders, negotiations are important and necessary, as Pierre Lebel mentions, [12] in "L'Art de la négociation" that "Negotiation is specific to all ages, all social categories and all civilizations, as a daily act with a natural use such as

breathing. or life ". In this context, we state that the specific, atypical period created by the global pandemic could not influence the activity of economic agents involved in trade relations with the conduct of negotiations. We would like to mention that in his work "Negotiations between method and process in atypical conditions" the author's Șargu L., Coman C.

### III. MATERIALS AND METHODS

Research is an interdependence of theoretical aspects applied in practice. The essence of the study consists in the formation of perceptions on the behavior of commercial enterprises in the process of negotiating offers with partners in the period affected by the pandemic. The working method used is observation, analysis and deduction for the implementation of the new behavioral methodology in the negotiation process in atypical conditions. The scientific theories used in conducting the study are Roger Fisher, William Ury, Bruce Patton, Harvard Negotiations [14]. Problems are solved according to the objective nature of the problems, but the goal is to get the "win-win" result for both parties. At the same time, the research is based on Herb Cohen's theories [1] which present the 3 fundamental elements in the success of the negotiation process: information, time and power. The third fundamental element of the study will be based on the individuality of the negotiating partner [15] and the particularities of online communication. The partnership links of the 2 higher education institutions, the University of European Studies of Moldova (100 partners) and the State Polytechnic University of Kazan (100 partners) were used for the experiment.

### IV. RESULTS AND DISCUSSIONS

In the literature, all the definitions of negotiations are polarized in two directions, the dynamic process and the confrontational action. Both directions form a mechanism of movement of the elements involved, and the conjuncture, direction, advantages and finality will depend on the capacity of those who direct these mechanisms. The research is based on the type of integrative negotiations.

Integrative negotiations [13] usually operate on a win-win basis. This relationship allows participants to achieve various aspirations, to seize all opportunities, to understand the partner in his problems and to offer equal chances for victory. This process is based on qualities such as tolerance, mutual respect and trust. Paradoxically, in such conditions the negotiations are accepted by both parties without proving their own position. This behavior allows them to obtain mutual benefits by inventing new actions, by capitalizing on all ideas, by convincing partners in the advantages obtained, by joint actions organized to achieve goals. The elements that constitute the system of negotiations researched in the paper are presented in the figure 1.

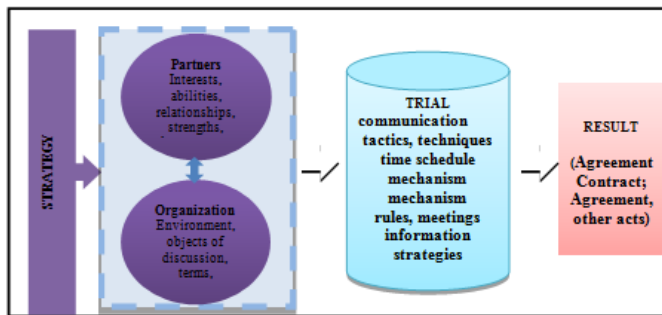


Fig. 1. The system of integrative negotiations carried out by the partners participating in the study

Lamar Lee in "Purchasing and Materials Management" [16] mentions - "Negotiation is the art by which the seller and the buyer, usually in face-to-face discussion, establish precise terms of a contract." It's just that the negotiations during the atypical situation created by the pandemic took on another aspect imposed and conditioned by circumstances. The managers involved in the trade negotiations had to lead the process remotely, and the teams could no longer face each other. Negotiation being defined as a discussion between two or more people, who try through this communication process to resolve existing interests between them, in these conditions has fallen a bit in the shadows.

Effective communication also involves the involvement of nonverbal communication, which in the conditions of the remote procedure loses its value and significance. Through the verbal message, as a rule, we make ourselves understood by customers. Using the verbal message, we communicate in meaningful words the meaning of the opponent, without resorting to the usual or professional jargon. The verbal message is direct, and the client or opponent will always understand what was communicated to him and what you wanted him to understand. Indirectly, communication can be expressed by nonverbal messages. Nonverbal messages are transmitted by parts of the negotiator's body. Examples of these messages are hand position, gesturing, eye manipulation, facial expression, body posture, etc. According to the researchers, communication is considered to consist of 35% verbal messages and 65% nonverbal messages. In trade negotiations, through communication, desired results are usually obtained by referring to price, method of payment, quantity and quality, characteristics, customization, etc. Trade negotiations are usually fair between companies based on concrete principles. Economic relations, including trade, are currently based on competition and competitiveness, and this is linked to the marketing mix. [17] The benchmark in the process of trade negotiations is price, which includes both real elements such as production costs and strategic ones such as competitive market supply or entity policy.

The classic arguments of the negotiation process were based on three levers: information, power and time.

**The information.** Regardless of the type of negotiation, information is one of the most important resources not only in negotiations, but also in other activities. The peculiarity of accumulating and managing information in negotiations is different from other areas, activities or needs, which is why

any source of information obtained will be used as a disadvantage for the opponent in the negotiation process. Possibly it is the only situation when the information serves at the same time and as an advantage and disadvantage. Information in negotiations can also become dangerous for the owner if it will not be used in time, with calculated doses, well structured, with appropriate intonation, reasoned, etc.

**The power.** Power is more of a human ability that involves having control over a situation, people, one's own person. The ability to persuade is a power available in all cases where the person includes psychological factors. In order to be able to influence the negotiation process, it takes time, trust, good reasoning, evidence, etc. Power is on the side of the law, only that negotiations do not seek justice but discuss priorities based on legitimacy in order to obtain maximum benefits with minimum expenses. The personal skills and abilities of the negotiator also contribute to the formation of bargaining power and prevailing over the opponent.

**The time.** As a limiting factor of the negotiation process, time can be used for several purposes: to exert pressure, to procrastinate, to update the subject, etc. If we examine the most publicized negotiation processes, almost all important actions take place near the deadline. Less publicized negotiations are also influenced by time, most often they are used as pressures at meal times, meetings, important events, transportation, etc., which can be a force for accepting a solution.

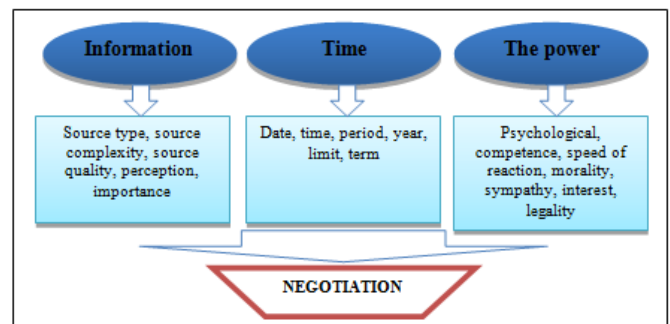


Fig. 2. Pillars of the negotiation process after Herb Cohen

Starting from the three classic levers of the negotiation process, we want to identify the intensity of each in atypical conditions. [18] This goal was made possible by the involvement of the research team of the two universities and their partners. The research method used in this international study was selected - the interview. The results of the interview will allow the measurement of the economic phenomenon on a qualitative dimension. At the moment the study is continuous, because the phenomenon has not been studied in all phases, and they cannot be established for sure because the atypical phenomenon continues. For these reasons, the results of the research proposed to the audience refer to the first 3 months of research on the atypical situation created by the factor - pandemic. The researchers continue the study and later will come to deeper conclusions and results related to the duration of the atypical situation studied.

We are currently presenting the results of the separate study for the Republic of Moldova and the Russian

Federation. Studying the behavior of three elements Information (I); Time (T) and Power (P) in negotiations during the 3 months of discussions with business representatives we found the following results expressed in the two figures.

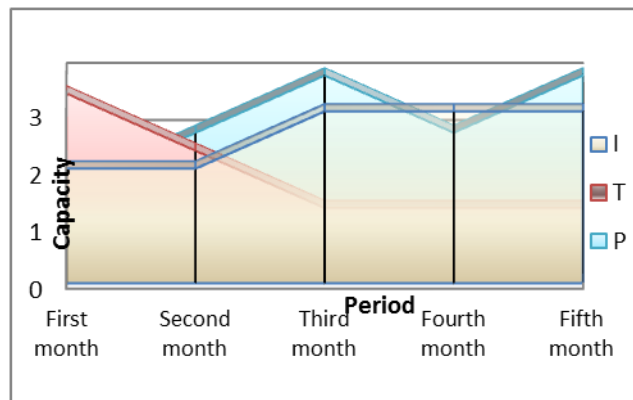


Fig. 3. Intensity of action I, T, P in the negotiations conducted by the studied enterprises of the Republic of Moldova

From the result of the study it was observed that at the beginning of the period the concentration of the negotiations was on the factor (T), ie the most important element was considered the time, and the greatest attention to attract the period of negotiations. This is argued by travel to the negotiation site, time preparations and periods of face-to-face communication. Element (I) is not very flexible, which is due to the importance of this element in knowing the offer and its particularities. The greatest evolution in the analyzed period was the factor (P). This develops certain discussions and hypotheses such as the reason for the increase in influence if the partners do not discuss face to face and do not have the opportunity to implement the 65% of nonverbal communication.

The results of the study for business partners in the Russian Federation showed the following results in Figure 4.

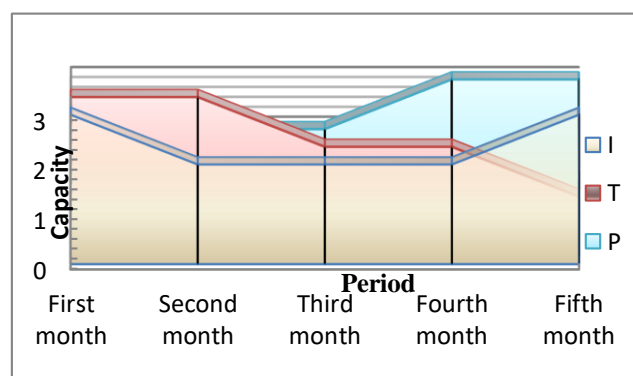


Fig. 4. Intensity of action I, T, P in the negotiations conducted by the studied enterprises in the Russian Federation

Analyzing the research results of the capacity to involve the three classic pillars of negotiation in the interview with the commercial partners of the State Polytechnic University of Kazan, we found a similarity on some of the elements. For example, the factor (P) is also identified at the maximum margin with the value at the end of the research period, which

indicates the importance of this element in the process of negotiations in atypical conditions. The bargaining power has not been identified in other circumstances so important in the assessment, for which we are convinced that the psychological potential works at a distance, and the performance of this factor can bring excellent results for the negotiation process. Similar to the increasing evolution of element (P), an increase of element (I) is denoted, which is also an important sign for the negotiation process. Information has been and continues to be one of the most valuable elements in the negotiation, manifested at any stage and related to any procedure. At the same time, this element intensified in the proportions requested in atypical conditions in the context of the pandemic, allows to draw some conclusions regarding the importance and role of information during the distance communication. Element (T) loses its position in front of the businessmen from the Russian Federation, which denotes a similarity of the negotiating environment, namely the online one.

In conclusion, we cannot fail to show solidarity with the business environment, which is going through certain periods of discomfort, or these are already experiences of survival in atypical conditions. Thus we propose an efficient communication process for distance negotiations carried out in atypical conditions as a result of the study, present in figure 5.

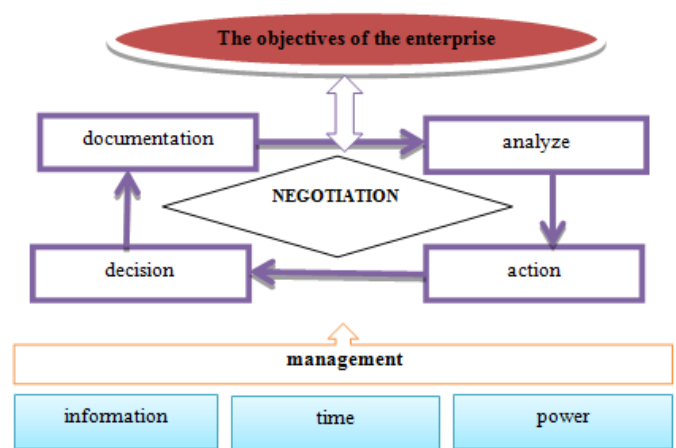


Fig. 5. Schedule of negotiations in atypical conditions for enterprises

Starting from this scheme we formulate the recommendations:

- effective improvement of the negotiation process within the enterprises of the Republic of Moldova and the Russian Federation, as one of the priorities for achieving the performance of the activity developed in order to increase the national and international competitiveness
- ensuring the theoretical and practical approaches of the management precepts of the negotiation processes in atypical conditions in obtaining results at managerial, operational, organizational level, obtaining truthful information, efficiency in decisions, culture in negotiation, improving relations with partners, optimizing the negotiation process, etc. .

- improving the company's internal system on the negotiation process in atypical conditions affected by the pandemic, on the conduct of distance negotiation processes without face-to-face communication, which will allow in a complex study to outline an applicable universal model.
- focusing the capacities of human, financial, material resources on the development of the factors derived from information (I) and power (P) for the development of competitive, efficient and effective negotiations both atypical periods and market circumstances in general.
- identification of the possibilities of developing studies in the field, training of professional skills for negotiators with developed skills and psychological abilities, which will ensure efficiency in the communication processes with internal and external partners.

## V. CONCLUSIONS

As a result of the study, it was found that in the conditions of an atypical situation, the three elements to be observed evolved in different ways during in the analyzed period. Thus, the authors propose at the moment to use the scheme proposed in Figure 5 to design effective negotiations in atypical conditions. Regardless of the circumstances, keep calm and competitive and voluntary spirit in all beginnings, including in the fight against the circumstances of atypical situations. Reserve research team the rights to continue the study in the two phases following the development of trade negotiations in atypical conditions, for which we are at the initial phase followed by the basic and the final phase.

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