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# **International business negotiations after the pandemic**

Towards understanding the impact of the pandemic on face-to-face and  
online international business negotiations

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**ABSTRACT:**

As the world has globalised over the century, conducting international business has become a must for countries. When doing business, overseas skilled negotiation is needed. Negotiation is, of course, necessary for all areas of life and not limited just to international business but international negotiations have additional complexity. The traditional approach to international business negotiations has been to travel to the other party's country and to negotiate face to face. When COVID-19 occurred the ability to travel overseas was limited and people turned to online platforms. Almost overnight negotiations were taking place through video and online platforms. With this uptake of online negotiation, there is a need to understand how organisations adapted and remained competitive and to understand how going forward, now the pandemic, and the response to the pandemic, has changed, organisations will continue to operate (face-to-face versus online). To what extent might online negotiations continue in part or in full and will this differ across industries in future?

The aim of this thesis is to explore how organisations across a range of countries and industries have continued to operate throughout the pandemic to remain competitive and how they intend to operate going forward in the post-pandemic world. The framework for negotiating face-to-face introduced by Ghauri was used as the basis of this thesis. The framework was broken down into three parts, pre-negotiation, negotiation, and post negotiation. Alongside other literature the framework was used as a base for the primary research conducted in this thesis.

The results of this thesis suggest that most industries will adopt a hybrid negotiation approach. An approach which is partially conducted online and partially face-to-face. It seems that organisations will subjectively decide which elements of the process (pre-negotiation, negotiation, and post negotiation) to conduct online and which elements face-to-face. Depending on the goals of the negotiations, such as a long-term relationship with the opposing party, or a onetime hard deal to get the best result possible, there are subjective benefits to which parts are conducted face-to-face versus online.

This research has important implications for negotiators to understand the benefits of hybrid negotiations across industries. It provides evidence of how organisations are looking to continue to operate going forward and how they managed to remain competitive when the normal business travel was not possible.

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**KEYWORDS:** International business negotiations, negotiation, face-to-face negotiation, online negotiation, negotiation strategies, negotiation process, video negotiations

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## Abbreviations

Face-to-face – F2F

Business to business- B2B

Business to customer- B2C

# 1 Introduction

Humans have used negotiations as a tool for surviving for centuries. Negotiating is a form of decision-making in which two or more independent parties meet to try to resolve differences and come to a joint agreement (Pruitt, 1981). Negotiations go beyond the borders of the conference room, they are used in daily life, including managing relationships and avoiding unnecessary conflict (Ghauri, 2003). Negotiation is a ubiquitous social activity (Thompson et al., 2010).

This thesis will focus on international negotiations within an organisational setting. Negotiations significantly contribute to an organisations' profitability; thus, the negotiating teams must be trained to achieve success (Preuss & van de Wijst, 2017). Ghauri (1986) noted that there is no country which does not participate in international business. Organisations that operate across borders will need to address conflicts and hurdles relating to different cultures, rules, and regulations. Prior to the global pandemic both face-to-face and online international business negotiations occurred to varying extents.

Giordano et al. (2007) note that negotiations are an integral element of everyday work life and thus it is key that individuals understand the influence that different negotiation settings can have, whether the setting is face-to-face, or online. Face-to-face negotiations involve extensive use of visual cues and personal focus, which are much harder to observe in online platforms. When negotiating online the physical distance between the parties is prominent, there is no eye contact, you cannot observe the body language, all the subconscious analysis which occurs face-to-face is removed. The deficit which occurs from a lack of visual cues is often filled by imagination (Harkiolakis et al., 2012). As a result, online communication can be less efficient, and it can be more difficult to achieve positive results. Walther (2012) has concluded that in certain cases online negotiation can be better handled through a more aggressive strategy, as there is a lack of social-emotional cues. Without the ability to process the visual signals the interaction and lifecycle of the negotiation are likely to be different.

The global pandemic, and its continuing legacy, makes this research timely and necessary. Undertaking this research will enable a greater understanding of how organisations across a range of industries continued to operate and make profits while shifting their entire organisation online. Traditionally when face-to-face negotiations take place, one party travels to the other and meet in person to conduct the negotiations. During the pandemic the ability to travel was severely hampered and online negotiations therefore took over as the dominant way to internationally negotiate. There has been previous research into the efficiency of online negotiations, although Giordano et al., (2007) note that the results have had mixed findings. Being able to confidently negotiate across borders means to not only being able to understand the differing strategies and tactics of the other parties from different cultures and their inherent cultural subtleties (Manrai & Manrai, 2010) but also being able to comprehend the role that the mode of communication (face-to-face versus online) plays and how this impacts the strategies and tactics of negotiators. As we have entered a post-pandemic era of international business negotiations and the use of online platforms to conduct international business negotiations has increased, it is therefore increasingly prevalent to understand the differences that exist between face-to-face and online negotiations. It is key to explore the impact that the different mode of negotiation has on elements such as atmosphere, objectives, conflict, expectations, and personal relations (Ghauri, 2003). Being able to understand the impacts and differences across different industries enables a primary research flow chart of guidelines to managers to be created.

## **1.1 Research problem**

As frameworks for international negotiations have developed the research within face-to-face negotiations has flourished. However, in comparison there is still relatively little research on online international negotiations. Given the increase sharp increase in online negotiations during the pandemic, there is a need for better understanding of different approaches and techniques across industries. Like anything in life, the negotiation process is subject to develop and adapt overtime (Brett and Thompson,

2016). Negotiations are often dynamic conversations which are a continual work in progress. Technology can be used to help negotiations and improve the creativity of the conversations (Brett & Thompson, 2016). It is important to discover just how technology can facilitate international negotiations and where challenges occur and discover in what situations face-to-face negotiations may be preferred.

It is perhaps no surprise that face-to-face negotiations offer a stronger flow of information between the negotiating parties, which in turn, enables better decision making (Galvin et al., 2007). When negotiating online the absence of non-verbal or verbal signals which can be used to clearly understand the true meaning of the message can result in misunderstandings and undesired outcomes (Galvin et al., 2007). Negotiating online also limits the amount of informal relationship building that can occur, creating an element of invisibility which is not an ideal scenario for building trust (Harkiolakis et al., 2012). How then, do you continue to negotiate competitively online compared with traditional face-to-face negotiations?

Crossley et al., (2016) state that 'negotiations provide a meaningful way of examining an individual's ability to persuade or manipulate'. Although online negotiations took place prior to the global pandemic, the important and sometimes difficult early stages of starting negotiations, such as building relationships, trust, credibility and establishing a strong rapport between the two parties are unlikely to be conducted in person anywhere near the extent that they have been. Due to this, the actual negotiations themselves are likely to start from a different place in terms of organisational and personal knowledge. Although online negotiating has become increasingly used in recent times, the growth in the extent, complexity and frequency of online negotiating is a major and a new change to the negotiating landscape which needs to be understood. While online modes of communication may allow the individual to have greater control of their personal image, the absence of non-verbal cues, such as body language, both between individuals from the same organisation and between organisations is likely to bring new and significant challenges. These challenges include the risk that reaching a



satisfactory decision takes longer online than it does in face-to-face scenarios (Galini et al., 2007). Gaining an understanding of whether organisations intend to continue with online negotiations post-pandemic is important from a managerial perspective. As investigating whether the lack of contextual cues produces greatly differing outcomes during online negotiations is a key research area (Crossley et al., 2016).

This thesis will take elements from the theoretical framework presented in Ghauri and Usunier (2003)'s book *International Business Negotiations*. Specifically in Ghauri's chapter on a framework for international business. It will start by understanding both traditional negotiating strategies and online negotiating strategies based on an in-depth literature review. It will use primary research to investigate how organisations across industries have remained competitive during the pandemic through adaptations of their negotiating practices, basing questions on elements from Ghauri's framework. This work will bridge the research gap of understanding how organisations have been able to negotiate internationally during the pandemic and how they will aim to continue the negotiation lifecycle alternating between face-to-face and online modes of communication. It is imperative for academics and organisations to understand how elements of the negotiation lifecycle change and alter depending on the mode of communication. From an academic perspective understanding how different elements of the negotiation lifecycle change with the mode of communication is important. Being able to gather patterns and discover trends in how different elements of Ghauri's framework applies to different organisations allows for academic theories to adapt and increase applicability.

## **1.2 Aim of the thesis**

The aim of this thesis is to explore how organisations across a range of industries have altered their negotiation strategies during the pandemic and to understand how they aim to continue their international negotiations going forward post-pandemic. Taking elements from Ghauri's (2003) theoretical framework and testing how the elements

were adapted when negotiating online. Building a new context for the framework to exist and to be applicable after the global pandemic.

The aim can be defined as **to discover how organisations across a range of industries have handled negotiating internationally during the global pandemic and how they now continue to operate in the post-pandemic environment.**

This study will have three main interests that can be formed into research questions:

- How have organisations across a range of industries conducted international negotiations before the prior to the pandemic?
- How have organisations have managed to remain competitive during the pandemic?
- How will organisations proceed with the international negotiating lifecycle post-pandemic?

### **1.3 Delimitations of the study**

The empirical findings and conclusions of this study are based on several organisations, across a multitude of industries and several countries. It should be mentioned that negotiation strategies are often specific to the industry or country and what has worked for one organisation or industry may not work for another organisation or industry. It is important to acknowledge that the respondents' knowledge of negotiation strategy can be classified as a limitation, since many respondents do not class themselves as experts on the topic of negotiations.

Face-to-face business negotiations is a well-studied field, with copious amounts of secondary research available. This study will focus primarily on the framework presented by Ghauri (2003), which introduces a framework for face-to-face international business negotiations. This framework was chosen due to its ability to be

adapted into a hybrid way of working for future business negotiations and practical examples from primary research are easily structured according to this framework.

#### **1.4 Definitions**

**Negotiation** “is a form of decision-making in which two or more independent parties talk with one another in an effort to resolve their opposing interests and make joint decisions” (Pruitt, 1981). Henry Kissinger in 1969 describes negotiations as a conflict where two parties seem to be antagonist. However, even with antagonism, the defining point of negotiation is that the parties are in search of a common position that could satisfy them both. Online negotiation has the same end goal, to reach a satisfying position for both parties, but the communication process is done through online means. The parties are separated by distance and the communication is facilitated by online platforms.

**International Business** “encompasses all commercial activities that take place to promote the transfer of goods, services, resources, people, ideas, and technologies across national borders” (Grozdanovska et al., 2017). Every country is subject to limited resources and therefore must conduct business outside of its borders to survive and for their citizens to be content. As mentioned earlier, Ghauri (1986) states that every country participates in international business.

**Global Pandemic** can be defined by the World Health Organisation (WHO) as “an epidemic occurring worldwide, or over a very wide area, crossing international boundaries and usually affecting a large number of people”. The WHO declared COVID-19 a global pandemic in March 2020.

#### **1.5 Structure of the thesis**

This thesis contains 5 chapters which are structured into sub-chapters. This study will begin with a general overview of academic research, touching on relevant theories and

important information which will create the basis for the interview framework. This study will go on to give a detailed explanation of the methodology and give insights into the empirical findings. The final chapter of this study will introduce the conclusions and findings from the primary research and present three flow charts for the three stages of the international negotiating lifecycle as Ghauri (2003).

The second chapter of this study presents the theories and findings from academic articles and books which are relevant for this study. The theoretical findings will focus on two main areas, current face-to-face negotiating strategies and online negotiations, and how the two areas can be linked to each other. Understanding the limitations of both areas is important so as when writing this thesis successfully the flow charts of hybrid negotiations can be considered a mixture of the strongest elements of both face-to-face negotiations and online negotiations.

The third chapter of this study will explain the research methods which will be used in this thesis. This chapter will focus on the research philosophy, intended design and reasoning behind why the use of these methods is necessary. The methodology section will also reference the collection process and touch upon the validity and reliability of the data.

The fourth chapter will present the empirical findings of this study. The results will include all the new information discovered through the interviews. This chapter will discuss how the empirical findings related to the theories and concepts mentioned in the second chapter.

The final chapter will present new developed theoretical flow charts for hybrid negotiations. Furthermore, a conclusion of the study and summarisation of the thesis with practical implications and recommendations for industries negotiating who negotiate online. Concluding remarks will be given in line with further research surrounding online negotiations.

## **2 The literature of negotiating face-to-face and online**

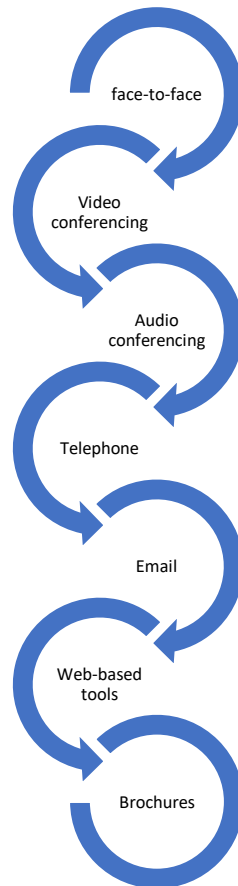
This theoretical chapter will present current frameworks for negotiating face-to-face and delve into existing theory surrounding online negotiations. This chapter will begin with an introduction into existing face-to-face negotiating literature. Secondly, this chapter will then introduce online negotiation literature. Thirdly, the primary negotiation framework presented by Ghauri (2003), will be introduced touching on current face-to-face and online analyses, focusing on how parties communicate and build trust. Fourthly, literature surrounding the hierarchy of problems that are inherent to face-to-face and online international business negotiations will be discussed. Finally, this chapter will summarise the literature, highlight the research gap and go into detail about the reason this research is important for today's working world.

### **2.1 Face-to-face negotiating**

Galluccio (2015) notes that 'the classic picture of negotiating easily comes to mind: two delegations arrayed on opposite sides of a long, rectangular table'. The mental picture that is created from Galluccio's 2015 sentence is that of a traditional negotiation style which historically organisations have upheld throughout the decades. Sigurðardóttir et al., (2019) argue that the ability of an organisation to conduct face-to-face negotiations can be considered a vital strategic skill within business relationships. Face-to-face interactions are the richest media for information processing. A scale, figure 1 below, coined by Daft and Lengel (Geiger, 2020) notes that face-to-face interactions are the most efficient form of interaction for conveying the largest amount of information in the shortest time. Second to face-to-face is video conferencing, then audio conferencing, telephone, email, web-based tools and lastly brochures.

Mehrabian (2017) notes that words only contribute to a limited amount within communication, we as humans gather much wider information from a range of things: eye contact and blinking, facial expressions, gestures, postures, silence, dress code. Non-verbal information can help negotiators to see authenticity, trustworthiness, respect, and agreement (Kazemitabar et al., 2022). From body language we can see if messages

have been understood or misunderstood and transmit cues both consciously and unconsciously.



**Figure 1.** Media richness diagram, by Daft and Lengel (Geiger, 2020).

In face-to-face meetings there are advantages which are not available to the subsequent media. These advantages include the ability to interpret communication with all the subtleties. Verbal nuances, non-verbal, and paraverbal signals which can be processed in real time. Stein and Mehta (2020) write about the METTA model (created by Thompson, 2015), which categorises signals. Table 1 below consists of signals which are available during face-to-face interactions. Being assertive to the cues allows the negotiators to react accordingly and in real time. These interpretations of the cues allow for less misunderstandings in a dynamic, flowing situation. Trust can also form at a faster rate due to trust developing on nuances rather than just data. (Stein & Mehta, 2020).

Movement	Gestures, posture, body position, eye movement and visual contact, facial expressions, head movements, nervousness and leaning the body.
Environment	Location, distance between the people, design of the room and atmosphere.
Touch	Handshake, contact with objects (e.g., having a pen in your hand)
Tone of Voice	Clarity of speech, pauses, volume, fluctuations, musicality of the voice.
Appearance	Style of dress

**Table 1.** The METTA model (Stein & Mehta, 2020, p 5).

## 2.2 Negotiation process

Much of the literature that surrounds negotiations concerns the negotiating lifecycle. Many models that exist focus on the phases that the parties pass through as they enter the different stages of the negotiations. Baber (2018) notes that ‘negotiation is a sequence of activities that progress over time with differentiation among major activities that segment the end-to-end negotiation’. Negotiations take into consideration the environment in which the deal and the parties are operating, and that the environment defines the boundaries and the shifts in focus during the negotiating period (Baber, 2018).

In 1965 Walton and McKersie described two different negotiation strategies: distributive and integrative strategy. Distributive strategy relates to the behaviours negotiators use when they are trying to get the results that benefit themselves the most, whereas integrative strategy relates to when negotiators use behaviours focused on creating and claiming value. Distributive strategy suggests that the negotiators are attempting to influence the other party to make concessions using threats and emotional appeals. Integrative strategy refers to the equal sharing of information about

interests and priorities and possible trade-offs to generate mutual joint gains (Walton & Mckersie, 1965).

The negotiation lifecycle has been summarised by several authors including Ghauri (2003) who conceptualised that the international negotiation process has a group of variables which serve as background to the negotiation lifecycle. These variables are background factors, the process, and the atmosphere. Spangle and Isenhardt (2003) also proposed their interpretation of the negotiation lifecycle: pre-negotiation, opening, information sharing, problem solving and agreement. Due to dynamic element of the negotiation process lifecycle, parties holding certain perceptions of each other or of developments may influence a change in any of the variables (Ghauri, 2003). Gulbro and Herbig (1996) suggested that the negotiation process has 4 elements, non-task, task, persuasion, and agreement. Non-task refers to establishing a relationship with the other party, highlighting that different cultures will place greater emphasis on this element. Galluccio (2015) added that if a negotiation process is to be handled successfully, recognising that each group has “sacred values”, and these values are integral elements of how parties behave and act. Gulbro and Herbig (1996) have suggested plenty of time is devoted within the process to having a cultural expert assist in preparations for negotiations to specify these “sacred values”. Furthermore, Manrai and Manrai (2010) note that international business negotiations are complex and demand sensitivity, understanding and flexibility to be successful. Ultimately, the parties who attempt to understand each other’s wants and needs and are flexible to the differences and are open to compromising are that much more likely to find common ground (Ghauri, 2003; Manrai & Manrai, 2010).

Background factors influence the process of negotiations and the atmosphere. The intensity of the influence varies over the different lifecycle stages. Background factors include objectives, environment, market position, third parties and negotiators (Ghauri, 2003). Objectives are classified as common, conflicting, or complementary. Common and complimentary objectives often have both positive and negative impacts on the



negotiation process, where in comparison conflicting objectives are more likely to have negative impacts (Ghauri, 2003). The role of negotiators within the international negotiation process differs within cultures, and not all tactics work universally. Within the negotiation process itself, different cultures will place emphasis on different elements (Salacuse, 1998). The environment concerns the political, social, and structural factors which are relevant to all parties. The greater the variation between the parties' environments the greater the chance of hinderance (Ghauri, 2003).

Market position influences the negotiation process due to concentration, the number of buyers and seller in the market determines the number of alternatives that are available to each party (Ghauri, 2003). This in turn impacts the pressure and bargaining power of the parties. Negotiators operate within two limits: firstly, they are concerned with the common interests and are focused on expanding cooperation and secondly, on a more personal level they are concerned with ensuring that the agreement is valuable to themselves (Ghauri, 2003). The personality of the negotiator is also important, their linguistical skills and backgrounds are all pertinent to the success of the party (Ghauri, 2003). Salacuse (1999) notes that negotiators from different countries should use formal behaviour during the negotiation process. It is far easier to switch from formal to informal behaviour than the other way around.

Atmosphere impacts the outcomes of the negotiating process due to people's perceptions and how the parties perceive each other's behaviours (Ghauri, 2003). The degree of conflict or cooperation within the atmosphere is dependent on the objectives of the participating parties (Ghauri, 2003). The entire process can be viewed on a sliding scale of conflict and cooperation. The relationships between power and dependence are closely related. Having the ability to control a relationship comes down to the perceived power between the parties, their relative expertise, and their access to information (Ghauri, 2003). There are two different types of expectations, long term, and short term. Long term expectations concern the possibility of future business, the negotiators are more likely to agree on a more amicable deal if there are strong expectations for future

business (Ghauri, 2003). Graham and Sano (1984) suggest that when parties aim to have a relationship outside of this negotiation then time should be taken to ensure a cooperative relationship develops. Short term expectations often include more stages and the more stages that a party enters through to reach a deal implies expectation of a better outcome from taking part in the negotiations compared to not taking part at all (Ghauri, 2003). Expectations are subject to change and developments throughout the process.

The negotiation process refers to all actions and communications made by any party made during the lifecycle of the negotiations. Throughout the lifecycle there are varying behavioural factors, tactics and strategies made by each party and it important to understand the reasons behind these actions (Sigurðardóttir et al., 2019). Each stage of the lifecycle refers to the parties communicating and exchanging information together. One stage of the lifecycle ends when the parties either decided to move forward with the negotiations or abandon them if there is no point in further negotiating (Ghauri, 2003). Within international business negotiations, there are three stages (pre-negotiation, face-to-face negotiation, and post negotiation) and two dimensions (a cultural dimension and strategic dimension). The two dimensions impact on all three stages and can play different roles in each of the stages (Ghauri, 2003).

### **2.3 Online negotiations**

Within online negotiations there are various methods of doing so, video platform, on the telephone or via email. This theory section will refer to all three when talking about online negotiations.

As the world has developed more organisations have adopted online negotiations as a means of conducting business (Turel & Yuan, 2006). Turel and Yuan (2006) dubbed online negotiations as 'e-negotiations' where parties may use the capabilities of a computerised environment to facilitate and support negotiation activities. Raiffa (1982) described negotiations as a dance of communication, where parties assess each other's

positions and needs and respond accordingly. To be able to contribute to this dance the parties need to trust each other and rely on their partners accordingly. Within online negotiations the dance is not to the same tune, but the developments are still the same, there needs to be trust (Turel & Yuan, 2006). The concept of trust is prevalent throughout many theories of online negotiations, since it is harder to establish compared to face-to-face negotiations (Turel & Yuan, 2006). Trust within online negotiations also implies placing trust on the internet, less of a problem nowadays but back at the beginning of online negotiations, negotiators had to trust the technology to help facilitate the process (Turel & Yuan, 2006).

Walther (2012) notes that the absence of non-verbal cues (i.e., expression of affect and emotion) are greatly hampered when negotiating online. Arguably without non-verbal cues to help participants read between the lines, they found that they were relatively disoriented, inefficient, and ineffective during the negotiations (Walther, 2012). Shonk (2020) notes that there are limitations that are prevalent within video negotiations: limited visibility, difficulties with technology, security and privacy issues and increased awareness of differences. Having technical difficulties while conducting online negotiations can negatively impact the negotiators and results in a change in behaviour (Shonk, 2020). On the other hand, being able to negotiate online has resulted in some positive impacts too, for example being able to negotiate from one's own area and space should in theory reduce group anxiety and help aid effective contact (Walther, 2012). Negotiating online has also been shown to reduce the feeling of being an outsider within a team, thereby promoting team cohesion and efficiency (Walther, 2012). Belkin et al. (2013) states that previous research surrounding negative effects in an electronic environment have not been replicated in the online context.

The tone of voice used can be powerful but when you are not in a face-to-face environment, tone can be harder to interpret, and a person's happy tone could be taken for a less powerful stance than an angry tone where one may conclude that there is less room for concession (Belkin et al., 2013). Negotiating face-to-face also allows for

minuscule cues to be picked up by others in the room, whereas online these cues are lost and the power that they hold is lost with them. Belkin et al., (2013) further note that trust becomes fragile during online environments, trust becomes harder to form and easier to break. In the past, it has become apparent that people approach online negotiations with more caution as communication can easily be conveyed as 'exaggerations, bluffs, and lies' (Kurtzberg et al., 2009). as well as an increased likelihood of unethical and negative behaviours. The increased physical distance between the parties can result in parties feeling less accountable towards the negotiations (Belkin et al., 2013).

Research on communication has noted that only 7% of what we understand from someone is the words they have said, 55% of the meaning comes from the facial expressions and posture and 38% comes from voice inflections and tone (Mehrabian & Weiner, 1967). Arguably, sharing a humorous moment before negotiations will do more good than harm in terms of creating trust (Belkin et al., 2013). However, care needs to be taken in the pre-negotiation stage, even when mediated through online means. This is because people tend to overestimate their ability to convey ambiguous information to others. People generally having difficulty looking outside themselves at how others may interpret the conveyed information (Kurtzberg et al., 2009). Creating positive emotions is an important element of online negotiations according to Belkin et al., (2013) as it encourages greater feelings of satisfaction and can improve the negotiation result. From their research Belkin et al., (2013) found that for negotiation parties that had never met face-to-face before trust was especially hard to gain. In addition, any trust that was gained was viewed as 'fragile' and without great value (Belkin et al., 2013).

Muir et al., (2021) argue that during online negotiations where non-verbal cues are limited negotiators are more likely to mimic the language used by the other party. Verbal mimicry has been associated with better outcomes of negotiating online and reaching an agreement (Swaab et al., 2011). When used, verbal mimicry could result in better comprehension of the topics being discussed and enhance perception of trust and

rapport between negotiators (Muir et al., 2021). Mimicry has been proven to boost the rapport between the parties, promoting feelings of engagement and creating the feeling of mutual positivity. Greater feelings of rapport have been linked to better negotiation outcomes (Muir et al., 2021). When utilising mimicry, a study conducted by Swaab et al., (2011) noted that the imitators that applied online mimicry within the first ten minutes of the negotiations reached more profitable conclusions when compared to the imitators who used mimicry in the last ten minutes of the negotiations. In addition, a study conducted by Muir et al., (2021) noted that increasing the use of question phrases using interrogative mimicry allowed the negotiators to focus on the important areas within the negotiation. This, in turn, allowed the parties to unearth shared priorities, clarify the potential areas of mutual interest and create value. In theory, mimicry could allow for the negotiating parties to enhance their understanding of the areas being discussed and clarify any areas of uncertainty.

Covid-19 has meant that organisations have been forced to search for innovative solutions and apply dramatic changes to their current business models (Baber & Ojala, 2020). The pandemic required organisations to obey the ever-changing regulations of the governments, such as stay at home orders and drastic change within day-to-day business (Baber & Ojala, 2020), forcing new dynamic interactions both within organisations and for customer interactions including negotiations. Information flows which would typically occur in face-to-face negotiations now rely on digital communication platforms such as Skype, Teams, Zoom, Slack and other collaborative platforms. These collaborative platforms try to recreate the side-by-side work atmosphere that would occur normally in a work situation. The pandemic accelerated the implementation of these digital workspaces and organisations were faced with navigating this unprecedented way of working in real time (Baber & Ojala, 2020). Organisations are then faced with the age-old issue that trust is simultaneously harder to develop online and easier to break (Kurtzberg et al., 2009).

Trust is at the centre of online negotiations. Theorists such as Lewicki and Wiethoff (2000) have concluded that trust can come from two different channels, a cognitive (rational) channel and a relational channel. Cognitive channels of trust are built on an expected-value type calculation. For example, if one negotiating party held the power, the other party would assume that the power would be utilised in a trustworthy manner to avoid negative consequences. Relational channels of trust are built through emotional processes, interpersonal interactions which encourages bonds between people and parties. For example, if before an online negotiation was set, an informal meeting was held to introduce the members of the negotiating table and provide a basis for trust to develop (Kurtzberg et al., 2009).

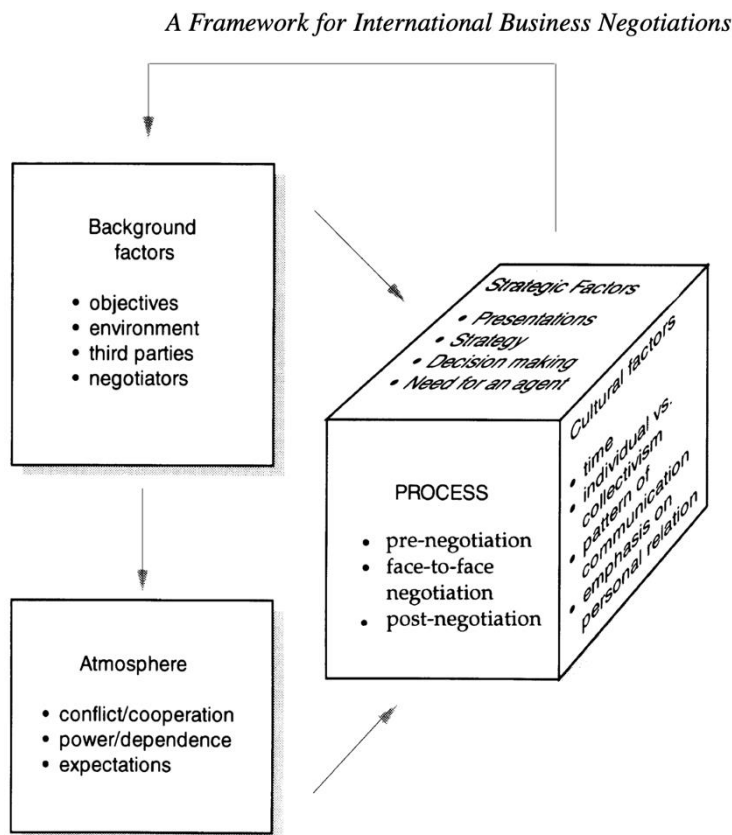
During a study of face-to-face negotiations conducted by Bonaiuto et al., (2003), it was evident the role that humour played in either legitimising or de-legitimising other proposals. Humour and laughter when related to an agreed point in the negotiations signalled progress and was associated with more success. However, when humour was used as a form of rejection of ideas it mitigated the blow, and the rejection was generally met with more compliance. When translating this humour to online negotiations, negotiators who start an online interaction with a humorous experience have been shown to enjoy greater interpersonal trust, increased satisfaction with the process and maximise the number of compatible issues during the negotiating period (Kurtzberg et al., 2009). The psychological bottom line is that humans tend to have a strong inclination to respond kindly when they feel that they have been given something they feel is of value, such as humour. The issue with this, is humour is culturally subjective and if negotiating across cultures then care should be taken with what is perceived as humour and how it could be interpreted (Kurtzberg et al., 2009).

Belkin et al., (2013) conclude their research noting that when negotiating through online platforms, care should be taken with affective displays of emotions. Whether these affective displays are genuine or strategic, as the implications of these expressions may be dependant, at least partially, on the expectations of the other parties. When

negotiating face-to-face, we as humans, routinely underestimate the prevalence and the extent of other people’s negative feelings. If you then add in an online environment where cues are less visible, and it is harder to recognise a person’s underlying emotional state then these negative feelings are even more likely to be overlooked and glossed over (Belkin et al., 2013).

## 2.4 The negotiation framework

The Figure 2 below is the model which was the inspiration for the primary research in this thesis. It summarises the previously mentioned background factors and atmosphere and sheds light on what will be discussed in the next section during the negotiating process and the impact that strategic and cultural factors have on the process.



**Figure 2.** The process of international business negotiation. Presented by Ghauri (2003).  
Pg 9.

Elements from this negotiation framework are key to developing the primary research conducted. During this section, literature about both face-to-face negotiating and online negotiating will be introduced in line with this framework. According to Ghauri (2003) the international negotiating lifecycle has three main stages: pre-negotiation, face-to-face negotiation, and post negotiation. Pre-negotiation is the stage where contact is established between the parties and interest is shown in conducting business. Preparation and planning are essential in this stage, even the best negotiators can be hindered by poor preparation (Ghauri, 2003). Parties begin to understand the wants and desires of the other parties and the parties can begin to evaluate the potential benefits of entering a negotiation process with each other (Ghauri, 2003). The contents of the deal must be identified, what are the tangible and intangible motives for entering the negotiations. Often in this stage of the process, informal meetings take place, where parties can evaluate further each other's position and the desired benefits from the relationship. When considering this stage of the model within online negotiations, the lifecycle can begin to look quite different. Harkiolakis et al., (2012) notes that negotiating online creates an element of invisibility and therefore forming trust is an increasingly delicate process. The process of showing interest can even be interpreted as missing enthusiasm and wavering commitment. Power within this section can be delicate both in face-to-face negotiations and in online situations. The person who starts the topics, writes the email, makes the call has a greater or lesser degree of power. Studies mentioned in Stein and Mehta (2020) suggest that in face-to-face negotiations only a few group members conducted 75% of the process. Despite the success of the negotiations being dependant on contributions from the team, participation was not equal (Thompson & Nadler, 2002). Galluccio (2015) noted negotiators should imitate the most successful member of the opposing team for success. Negotiations online can, with the appropriate preparation, offer the party in the weaker position the chance to



participate and tilt the power. The physical distance balances out the analytical and the persuasive (Stein & Mehta, 2020).

For the negotiations to be effective, the resources of the other parties should be considered, what are their strengths and weaknesses, who are the competitors and what alternatives can we create (Ghauri, 2003). Ghauri (2003), notes that the pre-negotiation stage can be considered more important than the actual formal negotiation sector within international business. The trust and confidence that is gained during this section of the relationship is crucial in enhancing the likelihood of a positive outcome. When conducting face-to-face pre-negotiation meetings, trust and confidence are facilitated by effective communication while maintaining respect for the respective cultures and environments, non-verbal communication such as expressions and the attitudes are more important than the spoken language (Ghauri, 2003). Ebner (2013) notes that when this pre-negotiation stage is conducted online the trust is lower, and long-term relationships are less likely. Reduced collaboration is mainly due to the lack of non-verbal communication signals, characterised earlier by the METTA model (Thompson, 2015). Therefore, this pre-negotiation sector is important for initial strategy selection. The strategy should be dependent on what information which has been gathered thus far, regardless of the medium it has been collected through (Ghauri, 2003). For both mediums of negotiations, it is important that during this stage that parties should also think about the limits of their wants and needs and understand a second-best alternative if necessary (Spangle & Isenhardt, 2003). By being active in the negotiation process, a negotiator who has experience can take in information from both the verbal and non-verbal cues to build up relative power, knowing the weak and strong points of the competitor is an advantage according to Ghauri (2003).

In the second stage, negotiating. Parties work together to ultimately find a solution to a joint issue (Ghauri, 2003). It is important to start all negotiations with an open mind and have several alternative plans of action. It is imperative that the organisations pick a negotiation team who are appropriate and have integrated knowledge of their own

organisation and understand the objective of the deal (Ghauri, 2003). An important step within the face-to-face negotiations is to explore the differences in expectations and desires and come closer to a joint middle path. To reach this middle path often patience is needed. The process of negotiation is dynamic and often positions, strategies and arguments will change throughout the process and being flexible is critical (Ghauri, 2003). Within international negotiations it is difficult for parties to fully understand the culture of the other party(ies) and the relationships developed between international negotiators carries more significance than within domestic situations (Ghauri, 2003). The greater the social distance of the parties, the greater the complexity in building and maintaining a relationship founded on mutual trust (Stein & Mehta, 2020). With social distance the subtleties can be overlooked and missed, and information can struggle to flow freely. There is emphasis on being careful and taking time to not offend or upset the different cultures. Building these negotiator relationships is important and once built a better atmosphere is created and signals can be sent and received with ease (Ghauri, 2003).

Comparing face-to-face negotiations to those conducted online, being able to host the negotiations on online platforms allows for the feeling of proximity with the other party. However, there are limited social norms which must be adhered to, which can allow for common courtesy to be disregarded. Attention should be given for how messages are interpreted, and the medium of communication bears almost as much importance as the content. However, Stein and Mehta (2020) note that starting the negotiation process online is not the most advisable as it is difficult for trust to be created. If parties already know each other and the issues are clear, then negotiating online can allow for faster progress. Online platforms are becoming increasingly flexible to current situations and when necessary, can be used effectively to handle delicate negotiations. Lewis and Fry in 1997 introduces a social psychological theory, the barrier effect (Geiger, 2020). The barrier effect theory mentions that some negotiators will use strong visual cues, such as staring, to assert their dominance. When these visual barriers are removed, this assertive tactic is taken away leading to less visual assertion. In a study conducted by

Swaab et. al (2012), they propose that three approaches to information integration exist: uncooperative, neutral, and cooperative. When the channels of communication change the negotiator should change their approach to successfully share information. Uncooperative negotiators benefit from fewer communication channels as their ability to assert power is minimised. Neutral negotiators can benefit from multiple communication channels, as trust can be created across them all. The study concluded that cooperative approach was positive irrespective of the communication channel.

Negotiating online has many positive aspects, it is time efficient, cost-effective, and still allows for a wide range of visual and verbal signals to be communicated (Harkiolakis et al., 2012). With video negotiating, information can still be presented on a screen allowing all parties to jointly inspect and process the information in real time (Graff et al. 2010). Power distribution is altered when negotiating online, barriers, status and cultural differences can all be minimised (Cellich & Jain, 2016). An important bias to avoid when negotiation online is the negotiation exit bias, as often due to the lack of visual information and the distance reducing the ability to anticipate and retaliate the negotiation is ended early (when continuing it would benefit all parties) (Stein & Mehta, 2020).

The third stage concerns the post-negotiations, where the contract is drawn up and is ready to be signed by all the parties involved. The terms of the contract should be fully understood by all parties and can be clarified by keeping minutes of what has occurred during the meetings. Attention should be paid to the details of the contract and all parties should take their time to not being overly eager missing key details of the contract (Ghauri, 2003). Stein and Mehta (2020) note that using online negotiation platforms as a medium for closing negotiations is not advisable. Reducing mistrust and uncertainty when ending a deal is important and is best handled in person.

Cultural factors that play an important role in international business negotiations are time, individual vs collective behaviour, patterns of communication and emphasis on

personal relations. Time means different things within different cultures. Generally, within western cultures there is the thought that 'time is money' (Ghauri, 2003), this though does not exist in regions such as Latin America. This can play a role in the pace of the meeting, and the punctuality of the process. Possessing advanced knowledge of the importance of time for the opposing parties can help maintain patience and goodwill throughout the process (Ghauri, 2003). Individual vs collective behaviour refers to being aware of whether the opposing party (ies) is ideally searching for a collective solution or an individual benefit, using a distributive or integrative strategy (Walton & McKersie, 1965), this will help when creating and executing the arguments and presentations. Patterns of communication concern different types of communicating behaviours, such as direct and indirect language. Some languages are vaguer and more ambiguous than others and in some cultures being direct and to the point is preferred (Ghauri, 2003). Stein and Mehta (2020) point out that online communication is limited to how expressive the language being used is. The expressivity of the language combined with the interactivity of the communication medium being used can either help or inhibit the synchronicity of the interactions. It is important to be able to read between the lines and be aware of these differences. Emphasis on personal relations is where different cultures place different emphasis on the relationships between the negotiators (Ghauri, 2003). Some cultures are more concerned with the personality of the negotiating team, and some are more concerned with getting their job done efficiently.

Strategic factors that play an important role within the international negotiating setting are presentation, strategy, and decision-making. Strategy is not the only thing that needs taking into consideration, tactics also play a role. Both strategy and tactics are necessary to reach the goal (Saner 2003). Saner (2003) differentiates these two as strategy being the negotiating course and tactics the tools. Before any negotiation teams will have prepared a strategy and an approach to the negotiations. The strategy of the team will often stay the same, and the tactics are likely to change subjectively to how the negotiations are proceeding. It is important, when presenting to be aware of whether you are presenting in a formal or informal setting. Being aware of whether

presentations should be in an argumentative, or informative tone and whether they should be factual and to the point (Ghauri, 2003). Strategy is arguably the most important part of the negotiation, should the strategy be tough, intermediate, or soft. It is important, if possible, to have information on the opposite party's strategy and to reflectively adapt one's own strategy to it (Ghauri, 2003). In this way the strategies are aligned, and the teams are not starting at two opposite ends. Decision making is where one should have a degree of information on the other party(ies) decision making pattern, such as are they usually impulsive or rational? Who is team member who usually makes the decisions, the team at the table or people back in the back office? It is important to understand the dynamic of the party you are negotiating with as much as possible.

## **2.5 The hierarchy of problems**

Both face-to-face and online negotiations often face problems. Negotiators bring tacit cognitive knowledge structures, cultural social history and their own native language to the negotiation table and these structures and histories are likely to be very different from each other. Yet, negotiators often tend to assume that their own tacit assumptions are like those of others (Galluccio, 2015). Graham (2003) goes on to explain that there is a hierarchy of problems that international negotiators must navigate when handling face-to-face negotiations, which in addition will also be applied to online negotiations:

1. Language
2. Non-verbal behaviours
3. Values
4. Thinking and decision-making processes.

Cultural differences within non-verbal behaviours are often buried beyond our awareness. When negotiating in face-to-face negotiations, we as humans, often give off and take in non-verbal cues which contain a great deal of information (Graham, 2003). Most of these cues go below a level of consciousness that we can perceive and are

subject to being misinterpreted. These non-verbal cues are exacerbated when the signals from the foreign partners are different from usual creating an air of uncomfortableness. To be able to attain the relevant tacit knowledge which goes on outside of our subconscious is not immediately accessible without training. Galluccio (2015) argues that time should be dedicated to helping negotiators comprehend the tacit cultural and linguistic knowledge from which the other parties operate.

In terms of language, in a study conducted by Graham (1985) where a study of verbal behaviours was conducted it was found that the verbal bargaining behaviours used by the negotiators during the stages of the process were similar across cultures. Similar percentages of the language used were questions, threats, statements, information exchanging tactics and self-disclosures. However, even with similarities there were some cultures at either end of the spectrum, such as the Japanese, who appear at the end of the spectrum concerning self-disclosures and are reluctant to give up information (Graham, 1985). Language is a cognitive process that is a result of direct experience, and it is therefore difficult for a person raised in one cultural and linguistic community to efficiently communicate with individuals raised in an opposite cultural and linguistic community (Galluccio, 2015). In a study by Tsalkis et al., (1991), it was found that having a foreign accent during negotiations can impact on credibility. However, arguably this is an outdated thought, and the world has come a long way since 1991.

Non-verbal behaviours make up a large part of the negotiation process, they hugely influence the atmosphere in face-to-face negotiations. Non-verbal communications were defined by Cavusgil and Ghauri (1990) as values 'attached to time, space, material possessions as well as body movements, eye contact, hand gestures, friendship and simple nods of agreement'. Within these non-verbal communications, our 'sense-organs' can detect leading clues such as eye contact and the degree of firmness in a handshake. These non-verbal communications are given meaning through our degree of knowledge, viewpoints and emotions and we reciprocate non-verbal communication back through smiles, eye contact, firmness of handshake or even by stepping back. We

subconsciously select a gesture which fits the specific situation, and these gestures are sent mainly unconsciously (Ghauri, 2003). Reynolds et al., (2003), suggest that the degree of interpersonal attraction should not be overlooked. Meaning there is a connection the similarity of the lead negotiators and the resulting outcome. An important element of face-to-face negotiations is studying the other parties body language to understand the full image, for example paying attention to posture, facial features, swallowing, moving restlessly or looking at the watch. It is important to keep in mind that some features of non-verbal communications are culturally related, such as eye contact, which has different meaning depending on the culture. Ghauri (2003) gives the example that in many Asian countries' subordinates often do not look into the eyes of superiors and if the parties are sat directly opposite each other this can foster feelings of confrontation. Before entering negotiations, it is important to be briefed on the critical characteristics of the culture of the country in which the negotiations are hosted. Ignorance of these implicit elements of non-verbal communications can foster a negative atmosphere and may disrupt the entire negotiation process (Ghauri, 2003). When negotiating online, inflexion of the voice will be important in signalling to other parties. It can give clues of agreement or agitation. It is always therefore important to remain guarded in what and how things are said while seeking for vocal clues from the other party (Stein & Mehta, 2020).

Difference in values concerns the fact that different cultures place different values on different parts of the negotiation process (Ghauri, 2003). Different cultures have different views on objectivity. For example, Americans may think that 'every negotiator has two kinds of interests: in the substance and in the relationship' (Fisher et al., 1991), yet in countries such as Germany they may believe that personalities and substance are not separate issues and cannot be made separate. Being aware of the importance of time on the opposing team's culture may prevent feelings of irritation and loss of patience over deals which are taking longer to be reached (Ghauri, 2003). Trust is another variable which can vary due to negotiators past experiences and cultural differences (Weiss & Strip, 1998). Trust should be a pre-requisite for credible

negotiations and mistrust can do damage. Getting familiar with the opposing party and understanding their values is important.

The thinking and decision-making processes is one which changes between different cultures. Different cultures will approach the problem in front of them differently. According to Ghauri (2003), western cultures may divide up the tasks into smaller tasks to solve the problem, whereas Asian countries often like to discuss all the issues all at once and in no clear order. When approaching a new culture about negotiating, considering all elements of the deal from a holistic approach will help cultures, such as western ones, to not get caught up in the smaller details. Looking for signs of progress is also important, such as taking note of what questions are being asked, the amount discussed in their own language while deciding something and the softening of attitudes. As Ghauri (2003) notes, you can meet negotiators who do not fit the stereotypical personality of their culture, but culture will always matter and is likely to always be ingrained into people so is always worth considering when entering the negotiation process. Weiss and Stripp (1998) suggest on the other hand, that when starting the process negotiators should take the opposing parties' culture as a starting point and not immediately categorise them based on this information.

## **2.6 Literature summary**

During this literature section, current literature surrounding face-to-face negotiations has been analysed. Being able to successfully negotiate internationally is a core strategic skill for organisations to possess. Face-to-face meetings are thought to be the most effective interaction for information processing in the shortest time (Geiger, 2020). During face-to-face meetings negotiators can be sensitive to the subtleties within signals (movement, environment, touch, tone of voice, appearance) and respond in real time. The negotiating process is introduced, highlighting that background factors and atmosphere can greatly influence the negotiations. Secondly, online negotiations are discussed, highlighting how trust is harder to convey in online situations, and that the absence of non-verbal cues is limiting for information processing. Mimicry is an



important tool in any form of negotiation but carries more importance when negotiating online and in studies when used within first 10 minutes of the dialogue contained greater benefits. Covid-19 forced many organisations to develop their online negotiating competencies and implementing digital workspaces has become the norm for many around the world. Ghauri's negotiating framework is then introduced, elements from which form the primary research of this thesis. The negotiation life cycle has three phases, pre-negotiations, negotiations, and post-negotiations. These stages will look different subjective to the mode of communication of the negotiation. Impacting on this framework are cultural factors of the negotiators and the strategy chosen by them. Finally, this chapter introduces the hierarchy of problems that both face-to-face and online negotiations face; language, non-verbal behaviours, values and thinking and decision-making processes.

The research gap that exists is understand how organisations across a range of industries have handled the negotiation life cycle during the pandemic, and how have they continued to negotiate post pandemic. Utilising the framework presented by Ghauri (2003), this thesis will aim to take elements of this model and ask questions to respondents to understand how the pandemic impacted their business and what elements of the pandemic way of working will be kept when conducting international business negotiations in the future. The elements which shall be taken into consideration include the background factors, atmosphere, environment, third parties, conflict strategic and cultural factors.

### **3 Research Methodology**

This chapter will go into depth on the research process and the methodology of the thesis. To begin, the research philosophy and the research approach will be examined. The research timeline, data collection method and data analysis will also be discussed. To conclude there will be a critical discussion on the validity and reliability of research conducted.

#### **3.1 Research Philosophy**

Understanding the underlying mentality of the research is important as the assumptions and beliefs of how knowledge is collected and improved has an impact on the methods used. Saunders et al., (2016) note that during research, whether we are aware of it or not, at every stage we make several assumptions. These assumptions can concern human knowledge and the extent to which our own values and beliefs hold an influence on our work. These assumptions have the power to shape research questions and how we interpret findings (Saunders et al., 2016).

Paradigms are ways of looking at reality, they are models or frameworks for observation which influence what we see and how we understand it (Babbie, 2007). Generally, within academia researchers are trained in one specific scientific paradigm with detailed rules on how to conduct business (Prasad, 2005). Paradigm can also be defined as something which contains the researchers' epistemological, ontological, and methodological premises (Denzin & Lincoln, 2008; Kuhn, 1970).

Epistemology refers to knowledge, what makes up valid, legitimate knowledge, and how we communicate this knowledge to others. Within epistemology there are two themes of research: positivism and interpretivism. Positivism concerns a natural scientific approach to research whereas interpretivism refers to a social scientific approach (Bryman and Bell, 2015). Positivism is focused on a natural science approach, where the

science is viewed as objective despite being applied to the study of social reality. The information which is collected within a study is viewed as the objective truth. Interpretivism on the other hand can be viewed as a more critical approach, arguing that social sciences are at the base different to natural sciences and therefore the subject matter should not be considered the same. Positivism concerns finding an explanation for human behaviour, in relation to the interpretive approach where the goal is understanding human behaviour (Bryman and Bell, 2015). When conducting studies Saunders et al., (2016) note that it is important to understand the ramifications in the different epistemological assumptions. Each assumption has their own strengths and limitations, and it is your own epistemological assumptions that will ultimately decide what you consider legitimate knowledge for your research (Saunders et al., 2016).

This study focuses on how face-to-face negotiation elements have been adapted when negotiating online. In principle, focusing on an unprecedented time in our lives, the global pandemic and attempting to take key negotiating elements from a pre-existing framework and understanding the roles these elements play when negotiating online and how organisations intend to negotiate going forward as the pandemic has now ended. Therefore, it can be concluded that interpretivism is the best suited epistemological position of this thesis.

Ontology concerns assumptions about the nature of reality (Saunders et al., 2016). A person's ontology impacts how they see the world and in turn, what choice of research is chosen for the specific research project. Within Ontology there are two sets of extremes, objectivism, and subjectivism. Objectivism viewed as an ontological position indicates that social phenomena is separate from social actors (Saunders et al., 2016). Subjectivism from an ontological standpoint embraces nominalism and social constructivism. Nominalism refers to the idea that the structure of social phenomena is created by researchers and other actors through language, perception, and consequent action (Saunders et al., 2016). Burrell and Morgan (1979) note that each person interprets experiences subjectively and perceives reality differently, therefore it makes

more sense to consider multiple realities rather than a singular reality which is the same for everyone. Social constructionism is a less extreme version of this which notes that reality is constructed through social interaction in which the involved social actors create a partially shared reality and shared meaning (Saunders et al., 2016). Social interactions are a continual process and social phenomena is in a constant state of change and revision (Saunders et al., 2016). To comprehend this conclusively researchers must study situations in detail to understand how a reality is being perceived by organisations. Social constructivism allows for multiple views of a social phenomenon to inhibit a shared reality which is constantly changing (Saunders et al., 2016), and is therefore the most appropriate approach to use when considering the aim of this thesis.

Methodology refers to the way in which we gain knowledge about the world (Denzin & Lincoln, 2008) and how we go about collecting the data. The methodology which is applied is reflected in the ontological and epistemological assumptions that are at the basis of our research (Hennink et al., 2020). Table 2 below provides an overview of these paradigms.

**Table 2.** Description of concepts (Hennink et al., 2020. Pg. 13)

<b>Concept</b>	<b>Description in own words and references</b>
Paradigms	The way of looking at reality; the framework or lens that is used to interpret reality. A paradigm consists of epistemology, ontology and methodology From: Babbie, 2007: 31; Denzin and Lincoln 2008b: 31; based on Kuhn (1970)
Ontology	What does reality look like? E.g. reality consisting of facts, or perceptions/meanings? From: Denzin and Lincoln, 2008b: 31
Epistemology	What is counted as knowledge/evidence? From: Mason, 2002: 16
Methodology	How to <i>gain</i> knowledge about reality and collect research data? From: Denzin and Lincoln, 2008b: 31

### **3.2 Research Method**

Within research there are three main research approaches that can be used when carrying out a study: inductive, deductive, and abductive. Saunders et al., (2016) state that the research approach highlights the relationship between the theoretical framework and the research. Inductive research begins with data collection and observations to draw some general outcomes, also viewed as theory. Bryman and Bell (2015) simplified this definition by stating that in the inductive approach the theory is the conclusion of the research, whereas the deductive approach begins with a theoretical base and hypotheses that are made on what is already known. These hypotheses can then be tested in an empirical study. Lastly, the abductive approach, is a combination of the inductive and deductive approaches. The abductive approach involves a 'back and forth' relationship between the theoretical and empirical framework (Saunders et al., 2016; Bryman and Bell, 2015).

This thesis will use an abductive approach because the basis of this thesis is not a specific theory but a general phenomenon which covers the patterns and themes of international business negotiations. As the global pandemic thrust organisations into the unknowns of operating online and travel was reduced significantly, this area of online negotiation strategy has not been explored in much depth. An abductive approach will help to explore the social phenomenon which exists in the relationship between face-to-face negotiating and online methods of communication, exploring how key elements of face-to-face negotiating transfer to online. The abductive approach will help to identify new theory and develop further existing ones (Saunders et al., 2016).

### **3.3 Research Design**

Research design can be based on either quantitative or qualitative design. The chosen research design will enable the analysis and contextualisation of information from the data collection. Differences between the two approaches to data collection can be

viewed as 'hard vs soft' methods. Quantitative design concerns statistical methods of data processing including measurements and figures, a 'harder' approach. Whereas in qualitative design the focus lies on 'softer' methods, such as interviews, observations, and interpretive analyses (Saunders et al., 2016).

A qualitative research design is used for this thesis, which is associated with an interpretative philosophy (Saunders et al., 2016). Interpretive philosophy refers to the notion that researchers need to understand the subjective and socially constructive meanings which are expressed about the phenomenon being researched (Saunders et al., 2016). A qualitative design will help on a deeper level to explore the relationship between face-to-face negotiation strategies and online negotiation strategies. Furthermore, in a qualitative study the theory can support the conclusions collected from the primary research to develop further an existing theory (Gillham, 2010). Qualitative research also allows the theory of embeddedness to shed light on the respondent's experience. Embeddedness refers to people's perspective and actions and how these are influenced by the social relations where they operate (Granovetter, 1985). Ultimately studying people negotiating in their own context, not only highlighting what they do but also being able to understand how they interpret the world and relate to others and how this influences their negotiating practice (Giddens, 1987).

Quantitative data is usually analysed using statistical techniques. Many statistical techniques require a minimum sample size to give valid outcomes. It would be impractical to collect high volumes of data for the type of negotiation being considered in this thesis, so for purely practical reasons qualitative analysis is also appropriate.

### **3.4 Research Strategy**

The research strategy relates to the research philosophy with the selected method of how to both collect and analyse the data and outlines for the answers to the research questions. Within qualitative research there are many strategies that can be used for

data collection. To name a few, archive studies, method studies, surveys, and case studies. Saunders et al., (2016) note that there are two kinds of method studies, mono method study where the research strategy is based on a single data collection or a multi method study where the research strategy is based on several data collection techniques. Within this thesis a mono method qualitative study will be used. The specific method will be interviews, choosing to use only one form of data collection will allow for deeper analysis within the given time frame for the thesis.

Exploratory studies are a valuable way to discover what is happening and gain specific insights into a topic of interest (Saunders et al., 2016). Exploratory studies are often useful when the researcher wishes to clarify their understanding of an issue or phenomenon. Exploratory studies can be carried out by interviewing experts within the field, conducting individual in-depth interviews which are likely to have minimal structure to enhance the answers from the experts. Exploratory research is flexible and adaptable to change, the researcher must be agile and willing to alter their direction of research if the answers from the data collection points in a new a direction (Saunders et al., 2016). As the research progresses exploratory research will narrow as the not yet fully defined objectives become further defined. This thesis will use exploratory studies to carry out the data collection. Based on the answers from the experts the thesis can be flexible and allow contributions to define the conclusions.

### **3.5 Data collection method**

This thesis is using semi-structured interviews as the method to collect data. Interviews are a form of mono method study as aforementioned. The interviews for this thesis were conducted during 2022.

#### **3.5.1 Interviews**

Interviews are a common method for research studies as they allow the researcher to gather information which can't be gathered from questionnaires or surveys. Interviews

require deeper thoughts and allows the researcher to gain deepened perspective into the interviewee's reasoning. During an in-depth interview the interviewer asks open-ended questions which inspires the interviewee to share and go into detail on their perspective (Hennink et al., 2020). Interviews can help the researcher gather valid and reliable data, which is relevant to the research questions and furthermore, they can help the researcher define not yet fully formulated research questions and objectives (Saunders et al., 2016). When conducting interviews there are two perspectives to take into consideration, objective and subjective perspectives inform opposing views about the nature of reality (Saunders et al., 2016). An objective approach views the interview as a method to collect data from interviewees who are a witness to a reality which exists independently from them. The problem with an objective approach is that it gathers responses rather than trying to understand the opinions and culture of the interviewees, as social actors who interact with and create and interpret their social world (Saunders et al., 2016).

In contrast a subjective approach views the social world as socially constructed, interview data is viewed as being socially constructed and co-produced both by the interviewer and the interviewee (Denzin, 2001). The subjective approach recognises the crucial role of the interviewer in constructing meaning from the data and the need for reflection and evaluation. This thesis uses a subjective approach as this works simultaneously with the interpretive research philosophy of the study.

When choosing the appropriate type of interview for the specific research, Saunders et al., (2016), note that there are three main types of interviews: structured, semi-structured and unstructured. The different types of interviews are used for varied research purposes. Structured interviews use questionnaires which are based on pre-determined and standardised questions. In structured interviews the social interaction between interviewer and interviewee is minimal and the questions should be asked exactly as written and in same tone to reduce any bias (Saunders et al., 2016). Structured interviews are commonly used in quantitative research.



Semi-structured interviews by contrast are non-standard and the researcher usually has a list of themes and some key questions that should be covered, although not all questions may be covered in all the interviews (Saunders et al., 2016). The order of the questions will vary, and additional questions may also be added depending on the flow of the conversation (Saunders et al., 2016). Generally, semi-structured interviews will have some form of interview schedule which opens the discussion and provides prompts to the interviewer if needed (Saunders et al., 2016).

Unstructured interviews are often informal and would be used to explore in-depth a general area in which the researcher is interested in. There is no pre-determined list of questions, and the interviewee is given full reign to talk freely about events, often used in inductive studies where open conversation is necessary (Saunders et al., 2016).

This thesis will use semi-structured interviews, an interview guide will aid the direction and discussion. Utilising semi-structured interviews will allow for free discussion while maintaining the key areas of the thesis. An interview guide was used during the collection of primary data, a list of questions that was used as a memory guide during the interview (Hennink et al., 2020). The interview guide used is attached in the appendix and covers questions surrounding face-to-face negotiating strategies in comparison to online negotiation strategies. The questions are formulated to minimise the chances of pre-determined answers. When relevant the semi-structure interview framework allows for additional questions to go deeper into certain topics which were found to be interesting.

The beginning of the interviews focused on building a rapport, such as making small talk and getting to know a little about one another. This is an important step to make sure both people feel at ease (Hennink et al., 2020). After this an overview of the thesis and its overall objectives was provided. In the beginning of the interviews a few minutes was spent explaining the literature that this thesis is based on and explaining how the

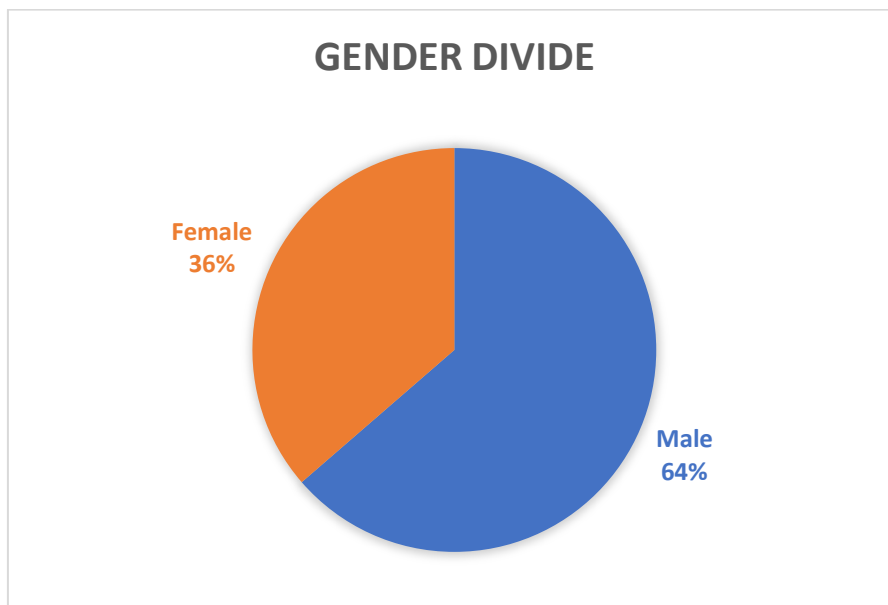
questions had been divided into three sections. Before the interviews were conducted a document was sent to the interviewees providing a brief overview of the topic and the interview questions that would be asked. The interviews are completely confidential and anonymous. Permission to record the interviews was asked before the recording started and permission was asked for the interview to be transcribed. Interview candidates will be sent the final thesis once finished to see how their answers contributed to this research.

### **3.5.2 Interview Samples**

Qualitative studies are generally smaller in size than quantitative studies due to the depth of qualitative research which occurs. Purposeful sampling as noted by Patton (2015) is a keyway to handle qualitative research, as the researcher can focus on the smaller sample while gaining a strong understanding of the objectives. This thesis will focus on intentional sampling where interview candidates are chosen due to their relevant qualities or criteria such as their experience (Patton, 2015). The interviewee generally has tacit knowledge about the topic so that they can provide a deep understanding of it. In one instance in this thesis snowball sampling was used, as one interviewee recommend another person to interview. Snowball sampling is where social knowledge is used to identify more participants, this is having been proven to be an efficient method to access hidden study populations (Hennink et al., 2020). The beliefs and opinions of the interviewees is not known before hand and the selection of the interviewees was not based on the potential beliefs that they may hold. Rather their selection was based on their experience in the negotiation field, which business sector they operate in and which country.

The sample size was not specifically decided upon before the data collection part of the thesis, however the plan was to interview not less than ten people. Eleven people were interviewed for this master thesis. Hennink et al., (2016) noted that an adequate sample size for saturation when carrying out qualitative research is at least 9 interviews. Ten out of the eleven interviews were held on Microsoft Teams, and one was held on Zoom.

The online nature of the interviews was mainly down to the location of respondents. Face-to-face interviews would have been impossible to carry out with the respondents selected. The length of the interviews varied from respondent to respondent. The shortest interview lasted 25 minutes and the longest was 1 hour. The below pie chart, figure 3, highlights the gender of the interviewees. There were four females interviewed and seven males. The gender of the respondents was not something which was considered an important characteristic. The age of the respondents was also not seen as an important characteristic, rather it was important to interview respondents who had relevant negotiating experience both before the pandemic and during the pandemic. Having multiple years' experience negotiating also gave the respondents the ability to have key insight into the future of their industry and have in-depth knowledge about how their organisation worked, works, and will continue to work. The respondents were chosen across a range of industries, there is some over lapping industry due to the nature of contacts, but across the eleven respondents there is six industries. Table 1 below provides an overview of the respondents. Having a range of industries allows this thesis to produce a more reliable adapted framework as it takes multiple industries' ways of working and highlights the common themes and the differences.



**Figure 3.** Gender distribution

**Table 3.** General information on the respondents

<b>Respondent</b>	<b>Industry</b>	<b>Gender</b>	<b>Job Title</b>	<b>Years Negotiating</b>	<b>Nationality</b>
<b>1</b>	Marine Business	Female	Senior Project Engineer	6.5+	Polish
<b>2</b>	Pharma/Biotech	Male	Board Director/Independent Consultant	30+	British
<b>3</b>	Currency Printing	Female	Country Director	25+	British/Finnish
<b>4</b>	Currency Printing	Male	Sales Director	23+	British
<b>5</b>	Pharma/Biotech	Female	Chief Commercial Officer	10+	British
<b>6</b>	Media Data	Male	Co-founder	25+	British
<b>7</b>	Pharma/Biotech	Female	CEO	17+	British
<b>8</b>	Currency printing	Male	Managing Director	20+	German
<b>9</b>	Renewable Energy	Male	Head of Strategy	25+	American/British
<b>10</b>	Currency printing	Male	Account Director	20+	Finnish
<b>11</b>	Aerospace	Male	Managing Director	10+	British

### **3.6 Data Analysis**

Thematic analysis is a common method used during qualitative studies. The main goal is to highlight themes within the transcriptions of the interviews and notes taken during them. Ryan and Bernard (2003) coined several stages for thematic analysis: discovering the theme, limiting the scope, putting the themes into a hierarchy of importance, and finally connecting the themes with the theoretical framework. This thesis will manually code the transcriptions of the interviews. Grouping together respondents who had similar experiences within their career allows for clear patterns and themes to arise from the answers. Highlighting within the transcripts colour coding the themes which were

prevalent to this research meant they could be categorised and placed into hierarchy of importance and connect them to the theoretical framework.

### **3.7 Reliability and Validity**

The quality of the conducted quantitative research can be measured through reliability and validity. Reliability relates to the consistency and replication of the study. For the reliability of a study to be high, researchers in theory can replicate the findings using the same research method. Validity concerns the measurements used, if they are appropriate for the study and can result in an accurate analysis (Saunders et al., 2016).

A criticism of qualitative research is that it is not generalisable, and subsequently hard to provide high reliability. Due to the nature of this study, a socially constructed situation which is based on interpretivist epistemology, it means that the results are nearly impossible to replicate and ultimately not generalisable.

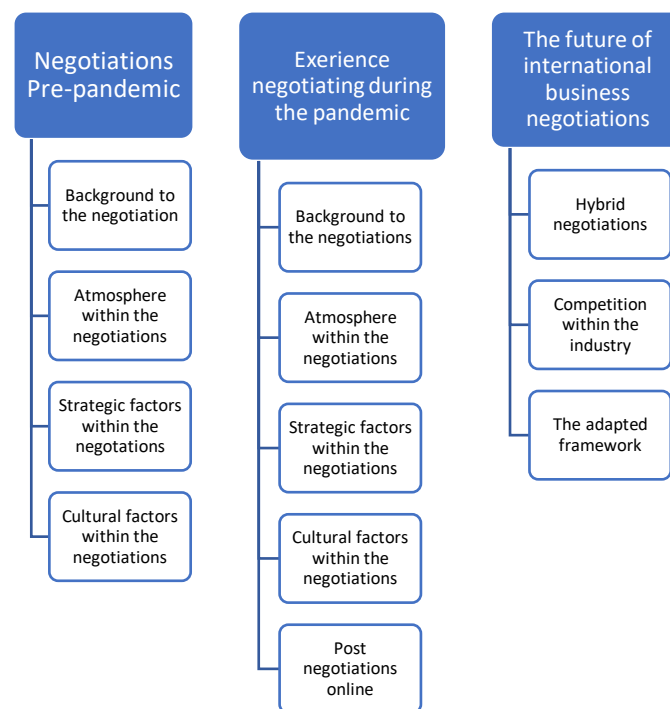
Saunders et al., (2016) note that validity concerns both the accuracy of the empirical analysis and the collection methods used. Validity is easier to measure in qualitative research. As the methodological choices have been analysed and examined in detail in this chapter, allowing the readers to assess the quality of the research process and the subsequent findings.

Validation within qualitative research, according to Saunders et al., (2016), can include participant validation. This concerns sharing the research data with the participants to validate the accuracy of the researched data. During the interview stage of the thesis, a verbal consent to record the interview and a copy of the transcription was mentioned. As the data for this thesis was collected through online interviews via online meeting platforms the internet connection was not always stable which meant some words and sentences could be lost. Technology can delimit the communication in both obvious and subtle ways (Salmons, 2011). However, by having the camera on and minimising the

background noise as much as possible the validity was increased to its potential so as the aim of the study could be conducted.

## 4 Empirical Analysis

During this chapter the empirical findings from the data collected from the interviews will be presented. Over the last four months, eleven interviews have been conducted to gather in-depth knowledge about how companies have continued to negotiate online during the pandemic. Figure 6 below provides an overview of the empirical analysis chapter. This chapter will be divided into three main sections to follow the three main objectives of this thesis. Firstly, to understand how organisations across a range of industries have negotiated internationally before the pandemic. Secondly, to understand how organisations have continued to internationally negotiate during the pandemic through online means, examining what strategies have been used. Thirdly, what the current picture of international negotiating looks like post-pandemic.



**Figure 4.** A summary of the contents of the empirical analysis

#### 4.1 Introduction to how the framework was tested

To create a basis for the questions for this research, elements from the framework face-to-face international business negotiations presented by Ghauri (2003) was used. The framework is characterised by three main parts (pre-negotiation, face-to-face negotiation, post negotiation), these parts can be completed in a multitude of ways and are influenced by an abundance of factors including atmosphere and culture. It was important to ask questions based on elements from this framework and ask them in a pre-pandemic environment, a pandemic environment, and a post pandemic environment. Being able to demonstrate how these elements change is important to the current framework's applicability. Figure 7 below shows the elements of the framework that were investigated over the three time periods. Within the three time periods of pre-pandemic, pandemic, and post pandemic the elements were also asked for each period in a pre-negotiation, negotiation, and post negotiation format.



**Figure 5.** An overview of the elements tested during primary research

Taking these elements and asking questions to the respondents allowed for Ghauri's framework to be examined in an online environment and see which elements were still important and prevalent across industries. From an academic perspective



understanding how different elements of the negotiation lifecycle change with the mode of communication is important. From a managerial perspective examining these elements allows managers to see how organisations conducted and are conducting international business negotiations in the post pandemic world. Being able to gather patterns and discover trends in how different elements of Ghuari’s framework applies to different organisations allows for academic frameworks like this one to adapt and keep being relevant.

## 4.2 A summary of industry results

To provide an overview of the results across the six industries to create a comparison, table two and three below highlight the main characteristics found through the primary research. Table two provides a summary of the characteristics for the six industry types.

**Table 4.** Summary characteristics for each of the six industry types

Industry	Characteristics	Technology for online?	Culture	Hierarchy	Atmosphere
Currency/banknote printing	High value, high technical, B2C. Third party is often used.	Yes, when negotiating with western countries. Asia/Africa proved complicated when negotiating online. A very secure environment due to the nature of the product. Accents can be easily misunderstood online. Technical questions can easily be asked online	Traditionally always face-to-face. Face-to-face is quicker and the informalities are important. Online was possible for pre-negotiation if the customer was known. Conference reliant. Eye is always kept on competition. Trust hard to form online.	Prevalent when negotiating with Asian countries Cultures highly prevalent when negotiating both face-to-face and online.	People were braver when negotiating online. The number of people in the online negotiating room increased. Informalities within negotiations and conferences play a large role within this industry.
Marine business	High value, high technical, B2B.	Yes, when negotiating with western countries. Asia/Africa proved	Tight schedules, operated online negotiations pre-pandemic,	Prevalent when negotiating with Asian countries.	Found online that people are more direct and conflict has propensity to

		complicated when negotiating online if no previous relationship.	important to meet customer in the beginning to build informal relationship. Limited trust online.		arise easier. In person you add a human aspect and prove you are right party to work with.
Media	Fast-paced, service.  Third party is not often used.	Can be handled solely online across all markets. Often meeting in person is a nicety rather than a necessity.	Pre-pandemic discovery calls, meetings and presentations occurred online. Negotiations were traditionally held face-to-face if the customer called for it. Trust is about delivering consistently.	Hierarchy exists in all markets, from Asia to the US.	Online people have the propensity to fill diaries to look busier. Online without video, people are braver and more abrupt
Pharma/Biotech	Third party would be used. B2B	Can be handled online. But for relationship building parts face-to-face necessary.	Meeting face-to-face at somepoint of the negotiation was important. Trust was hard to form online and took much longer.	Prevalent within Asia.	Increase in people attending online negotiations. Small talk and humour increasingly important during online negotiations, although culture dependant.
Aerospace	High value, high technical, B2B. Third parties not used.	Business can be handled online. Issue with technology is people can misunderstand easily. Technology really handy for quick meetings, especially with multiple companies at once.	Traditionally always met other party in person at some stage in the negotiation  Trust is about performance	Negotiations with Asian countries handled mainly by email. Role of culture minimised via email.	Small talk online prevalent. Humour should be adapted to the culture. Negotiating online with many more people than there would be in a board room.
Renewable energy	B2C Third party used when English is not spoken.	Yes, and online often necessary in post	Traditional to meet the opposing party face-to-	Within Asian parties strict hierarchies exist.	Online people have the propensity to be more

		negotiations for all signatures.	face at least once before negotiations to build rapport. Informal events is where most the negotiation occurs. Trust is established by consistency		outspoken. Culture is still prevalent even online and the way online business is handled should be subject to the culture.  Small talk is important.
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Table three provides a summary of pre- and post-pandemic negotiation strategies for the six industry types. The pandemic stage refers to the stage of the global pandemic. 'Pre-pandemic' stage covers international negotiations which occurred prior to the global pandemic. Understanding how the respondents negotiated, if they travelled or conducted any element of it online. 'Post-pandemic' covers the current negotiating strategies of the respondents post the global pandemic. Referring to what elements of the international negotiating lifecycle they are now, post-pandemic conducting face-to-face and what elements are online. The 'pre-negotiation', 'negotiation' and 'post negotiation' categories refer to the lifecycle of international business negotiations.

**Table 5.** Pre- and post-pandemic negotiation strategies for the six industry types

<b>Industry</b>	<b>Pandemic stage</b>	<b>Pre-negotiation</b>	<b>Negotiation</b>	<b>Post-negotiation</b>
<b>Currency/banknote</b>	<i>Pre-pandemic</i>	Face-to-face	Face-to-face	Face-to-face
	<i>Post-pandemic</i>	Face-to-face/technical questions online	Face-to-face	Face-to-face
<b>Marine</b>	<i>Pre-pandemic</i>	Face-to-face	Online	Online
	<i>Post-pandemic</i>	Face-to-face/online	Online	Online
<b>Media</b>	<i>Pre-pandemic</i>	Online	Online/face-to-face	Online
	<i>Post-pandemic</i>	Online	Online	Online/meet-ups once a year
<b>Pharma/biotech</b>	<i>Pre-pandemic</i>	Face-to-face	Face-to-face	Face-to-face/Online

	<i>Post-pandemic</i>	Online/face-to-face	Online/face-to-face	Online/face-to-face
<b>Aerospace</b>	<i>Pre-pandemic</i>	Face-to-face	Face-to-face	Face-to-face/online
	<i>Post-pandemic</i>	Online/face-to-face	Online/face-to-face	Online/face-to-face
<b>Renewable energy</b>	<i>Pre-pandemic</i>	Face-to-face	Face-to-face	Online
	<i>Post-pandemic</i>	Online	80% online, 20% face-to-face	Online

As we can see from table three, industries have altered the way they will handle international business negotiations going forward. Section 4.3 below will delve into specific findings from the respondents about their experience throughout the negotiation lifecycle.

### 4.3 Negotiations pre-pandemic

During this section of the interview, respondents were asked a series of questions about their experience with negotiating pre-pandemic. The respondents were asked to talk through their negotiating life cycle. When comparing the answers, there was quite a lot of variation across the answers, but many similarities within industries. Within those interviewed, there were six industries: marine business, pharma/biotech, banking/currency printing, media data, aerospace, and renewable energy. Respondents within the pharma/biotech industry, aerospace industry and currency printing industry all had the common theme that the majority of negotiations pre-pandemic were held face-to-face. This is in line with research produced in Galin et al., (2007) where it was argued that face-to-face negotiations offers a stronger flow of information ebbing back and forth between the parties and ultimately this enables better decision making.

“So, pre-pandemic it would have been face-to-face, always. But also, quite a lot of phone calls as well. They wouldn't have been video calls. Cause that nobody thought of that really or was too scary, you know, just people didn't just do it,

even though we could have done, I guess five years ago. [...] It would never be exclusively face to face because. You know, the negotiations often went over two or three months, and it just would have been inefficient to have done everything face to face.” (Respondent 2)

“I think everything pre pandemic was in person. There might have been some exchange of letters. [...] And obviously working with central banks, most of the ones I dealt with were formal. And you have a discussion, but then you send a letter by e-mail, but you still write the letter and attach it to the e-mail. And as opposed to and they print them all off and put them in you know, Manila binders with red ribbon for their superiors and things like that” (Respondent 3)

“Yes, you’re visiting to talk about projects, but also visiting to strengthen the relationship that you have with the customer” (Respondent 4)

“It was mainly face-to-face; we were travelling like hell. Yeah, so you had to go to the customer. There was no negotiation remote, so video calls were not so standard at all. So pre-pandemic was really going to the client to have face-to-face negotiations and then also signing the contract in front of them”. (Respondent 8)

“Basically, all the negotiations were at the customer side, so it was a lot of travelling for the negotiations. It was rare that we had anything online through teams or anything else.” (Respondent 10)

Respondent 2 noted, however, that in their marine business industry, which was mainly Business to Business (B2B), negotiations even before the pandemic were mostly online.

“Of course, most of the negotiations, even before pandemic was on-going happened via emails and meetings organised online, especially between my company and other companies, so B2B meetings. Especially located in Asia because the distance is quite a big but before signing and or deciding about details, I took some trips also to Asia to negotiate about schedule and details.” (Respondent 1)

Respondents 5, 6 and 11 mentioned that their organisations were already using a hybrid strategy to negotiate.

“Hybrid. Most stuff has been online; I’d say since 2015 [...] European clients we could quite often just book a flight and go and have a kick-off meeting of a negotiation meeting. It wasn’t negotiating the contract though. It was more the scope of the project. So, negotiations have always just been writing a proposal, go back and forth online”. (Respondent 5).

“Pre-pandemic you still do a lot of work in terms of discovery calls, meetings online, all the online presentations they didn’t start because of the pandemic, they were just accelerated because of the pandemic; they were already happening”. (Respondent 6).

“It was certainly a mixture. But a lot strange enough was done via e-mail and it was very friendly... nearly all the exports were signed before we met them in person” (Respondent 11).

The most important theme which was highlighted by all respondents was how important travelling at any stage during the negotiating lifecycle was for personal relationships with the opposing parties. Nearly all respondents highlighted how important meeting the opposing side was at least once for trust and building a rapport up. This correlates with Ghauri (2003) who notes how vital informal relationships are for establishing trust and understanding the interests and fears of the other party.

“I prefer to pick up the phone initially if I have already met the counter party face-to-face and there is already a kind of rapport. This is better if you can’t meet in person”. (Respondent 9)

#### **4.3.1 Background to the negotiations**

Several of the respondents explained how important travelling to meet the opposing party before the negotiations began was. Ebner (2013) argues that when the pre-negotiation stage is purely handled online the trust is lower and fruition of a long-term relationship is less likely. In line with this, many respondents mentioned that hosting face-to-face kick-off meetings was important to build trust and begin building the relationship.

“We travelled initially to get to know each other, and then once we knew each other better, then we would switch to online”. (Respondent 7)

“You would probably have met the other side sort of before any term sheets was even discussed or thought about. You probably would have met the other side

face-to-face and in some form or another dropped some big hints about what was important for you” (Respondent 2)

Having an existing relationship with the other party is an important factor to take into consideration when entering new negotiations. If they are new clients, then less background work needs to be done. Comparisons of both your own party and opposing parties’ strengths and weaknesses is important, poor preparation can be one of the greatest hinderances to negotiators (Ghauri, 2003). Respondent 4 communicated that they do a very detailed Strengths, Weaknesses, Opportunities, Threats (SWOT) analysis of their opposing party before putting together any specification. This allows the respondent to find out their strengths and weaknesses and turn their weaknesses into their strengths. A common theme throughout the interviews was that having a pre-existing relationship with the client meant that trust was already built and could survive through the pandemic.

“Socialising plays a major role and building chemistry between the two parties. This is the most important thing. Our business is based on trust and confidence [...] and if you do not know them then it is tricky to build up a relation. Which you need to do”. (Respondent 8)

“I would even say that starting the negotiations without meeting them before is difficult even face-to-face. It is hard to build trust”. (Respondent 10)

Respondent 6 however, when asked if they think trust was easier to come about if they already knew the client, said no and that it didn’t matter. Stating that it is about constantly delivering and putting your money where your mouth is. Respondent 11 is in agreeance with respondent 6, stating that it is about being professional, delivering and giving a good service. Arguing that whether you had met the client before or not, it did not matter as it was business. It is about getting a general feel about a company from how they perform.

### **4.3.2 Atmosphere within the negotiations**

When negotiating face-to-face as Graham (2003) points out in face-to-face negotiations we nonverbally emit and absorb subconscious information, this body language is critical to understand. Being able to see the intonations and inflections in the other party's speech and body movement is critical. Respondent 4 expressed that all good salespeople need to understand body language. Looking at body language you can tell how someone is reacting to the information you are presenting. You can check, are they fiddling, are they moving their feet, are their eyes moving, these are all things to look for in high level sales negotiations according to respondent 4. Respondent 6 also stated how important being able to read the room in face-to-face negotiations is and being able to build trust through seeing the 'whites of the eyes', and looking if the opposing party is bored, or are they pretending to be bored. Respondent 8 suggested that for negotiation, body language is the most important part and that real tough negotiations must occur face-to-face. Respondent 10 noted that body language is the only way to really understand what the opposition is thinking. Respondent 3 mentioned that having a human interest in the other party is important and this is harder while communicating online. During face-to-face situations, humour and laughter when associated with a mutually agreed point can signal success (Bonaiuto et al., 2003). Respondent 9 agreed with the other responses that highlighted that eye contact is amazingly important and establishes a sense of trust. Further going into detail that eye-to-eye contact and not a lot of fidgeting and so forth gives them sense of comfort that they are dealing with someone who is within their area of authority and subject matter and are able to interact and make decisions.

When negotiating face-to-face all participants who were asked had set expectations of the negotiations before heading into the meeting room. Respondent 8 noted that the aim of a negotiation is always to reach a consensus, which means knowing which areas you are willing to give up and which areas you want to stick to. It is important to understand each other and trust each other.



“We cost each customer and then there is a whole sign off process within the organisation [...] I hope for two prices. The price I will go in at and then a price I can negotiate to without having to go back to centre”. (Respondent 3).

“I wouldn’t waste my time going to a cold pitch meeting [...] I want to know who is going to be there, I want to know what their buying process is, where are we in the buying process. If not then let’s jump on a Q&A call, let’s go through technical details, targets, objectives, lets map this out and then I will come and meet you”. (Respondent 6).

Conflict and fluctuations in power when negotiating face-to-face can be related to the number of people you are talking to. Respondent 4 highlighted that when attending face-to-face negotiations with a Russian customer they often found themselves, who were a small team, in the room with 25 Russians facing them to intimidate them.

“There is no humour, nothing, they just sit there [...] I am not afraid of the Russians online, but I’m afraid of them when I was sitting in the same room as them [...] countries can use their culture to negotiate, and their body language and these go together like hand and glove”. (Respondent 4).

#### **4.3.3 Strategic factors within the negotiations**

Within the interview there was a question about using third parties, most of the respondents had used a third party (either a translator, agent, or mediator) in the past or they would be open to using one. Having a cultural expert whose job within the negotiations is to understand the specific culture and sacred values of the other party’s culture can play an important role (Gulbro & Herbig, 1996). Respondent 6 had not used any third party due to the type of markets they were entering and since people working in their industry have good spoken English, so there was not the need for one. However, the respondent did note that just because one had not been used in the past, does not mean they would not be open to using one in the future if the need arose. It can be difficult for a person ingrained in one cultural and linguistic community to efficiently communicate with individual’s raised in a different community and using a third party takes away this risk or miscommunication (Galluccio, 2015). Respondent 8 mentioned

that within the currency printing industry using a third party was the standard until 2015. However, since 2015 their organisation has not worked with third parties.

“Since 2015 we have avoided to work with agents with intermediates because we need to be in control of everything, so we do only direct sales and this is especially in government business very, very important now because of compliance reasons”. (Respondent 8).

Respondent 3, also in the currency printing business expressed that they often use third parties within negotiations in some countries (i.e., Nepal) as they are the people on the ground who are fluent both in the language but also in the business model of the region. An agent in this case, increases the access to the customer and helps hit the ground running. It was noted in the interview that often the agent acted as both an interpreter for the language but also for the subtle cultural cues that would be missed. The interpreter would not directly translate, but also adapted the statements and gave suggestions to the respondent for replies as the translator had better transparency of the situation. Respondent 3 also mentioned that as younger people with better English are coming up through the ranks, often the use of a translator is minimised as the other parties would rather speak English.

Respondent 4, also in the currency printing business specified that agents would help mostly in countries that were culturally distant such as Uzbekistan, Turkmenistan and so on. The agents would speak both languages fluently and would keep the conversation flowing. Respondent 2 in the pharma/biotech industry noted that mediators and banks acting as a third party were sometimes used in negotiations. Respondent 2 themselves had also worked for the last 10 years as an advisor and mediator.

Respondent 10 mentioned that agents were useful as they knew their party well. They acted as a bridge between the customer and respondent 10's team. Without an agent and when meeting a new party, respondent 10 argued that it would be difficult to get

the negotiations off the ground. In respondent 10's case the agents did not translate, just acted as a bridge.

#### **4.3.4 Cultural factors within the negotiations**

Hierarchies was a common theme amongst the respondents that had negotiated with Asian countries. According to Ghauri (2003), the greater the variation between the parties' environments the greater the chance of hindrance. Respondents were asked about their experience negotiating with parties which are both far away in distance and presumed to be culturally distant. Respondent 8 highlights how disciplined Asian countries are when negotiating, there is one main leader who is speaking and the others in the room are allowed to speak when given permission. Respondent 6 notes you must squash the propensity to interrupt when negotiating with Asian countries and you must ensure that it is your turn to speak before talking. Respondent 3 noted just how hierarchical Asian countries are and that all comments are passed through the lead person and the lead person must invite the others to participate. In addition, negotiating in China was a numbers game and there would continuously be 10-12 people sat opposite you, an intimidating scenario. When talking about negotiating in Japan respondent's 7 and 9 gave the following synopsis:

“Respect in Japan is important; you would go into the room, and they're all lined up on one side of the table. The most important people sit in the middle and then it kind of goes down in rank as it gets further out [...] you knew that they had no power to make any decisions and that all decisions were going to be made by one person sitting in the middle”. (Respondent 7).

“You're sitting there looking at this monolithic group of people staring at you and you're trying to pick out who is doing what, often the oldest guy is the one in charge. It's an interesting dynamic”. (Respondent 9)

Respondent 2 also summarised that when negotiating in Japan often face-to-face negotiations would be very formal and their position completely unbending. But this formality would diminish during the evening when out for dinner, after a few drinks they would tell you what they really thought about the deal and your positions. This is in line

with Salacuse (1999)'s reasoning that negotiators from difference countries should use formal behaviour within the negotiation process and then switch to informal if the need or time arises. It is easier to switch from formal to informal than the other way around.

Informal elements of the negotiations are highly important when negotiating face-to-face, as Ghauri (2003), notes: the informal element before the official negotiations occur can be considered more important than the actual formal negotiation sector within international business. Gulbro and Herbig (1996) also mention that within their research 'non-task' activities are critical, and this refers to establishing a relationship with the other party. Different cultures will place a difference emphasis on this element. Respondent 8 and 9 inferred just how critical they were:

“The scene is set on the evening before, during the dinner. So, where you meet the big guy who is normally the general manager. You align the direction and then the negotiation is just the form of conclusion that you have in mind.”  
(Respondent 8)

“Its most important, particularly depending on the cultural context. Within negotiations invariably most of what gets negotiated isn't in a negotiating room, its over dinner. It's a scratched note on a paper napkin. At dinner people outside of a group context people feel that they can push the boat a little more and really explore areas without fear that colleagues will miss interpret them or feel like they are going off the reservation”. (Respondent 9)

Salacuse (1999) notes that specifically within Asian culture the end goal of negotiations is often not a signed contract but a relationship between the parties. This correlates with the answers from several respondents who mentioned that within Chinese culture it is very important the Chinese party to take you out for dinner (respondent 7). Dinners that will try to impress you and show you parts of the city. It was important for them to show off their culture and where they came from. Respondent 7 further articulated that it didn't make any difference in what they were trying to negotiate but that it was important to the Chinese team. Respondent 1's replies also agreed with this, mentioning that when visiting Asian suppliers, going out for lunch was often a given and perhaps a small gift of appreciation of good cooperation was also presented. Examples were a

small notebook in the shape of a prominent Chinese building. Each culture has “sacred values”, and these values are important elements of how parties behave and act (Gallucio, 2015), this was reflected within the respondents’ answers.

When negotiating face-to-face, respondent 4 talked about how even though negotiations formally stopped for lunch, they informally carried on. Within this part of the process you can further evaluate each other’s positions and desired benefits from the relationship.

“You take a break for lunch; the meeting carries on. You know, someone will come over to you and say something about what was mentioned during the meeting. You know, you have coffee, and someone will come up and ask you a question that they didn’t want to ask in front of anyone else”. (Respondent 4)

The informal activities where the parties get to build a relationship are crucial to the foundation for a solid business relationship (Salacuse, 1999). Respondent 5’s reply to this question agrees with Salacuse, mentioning how informalities were important when networking with a new client. You must do a lot of groundwork and being able to have a meal out, walk round the city, getting to know the scope of the work in an informal setting gave a better sense of the deals to come and the starting positions for both parties. Ultimately these informal elements were crucial for relationship building. Respondent 11 mentioned that when their company would invite potential customers over, they would plan the itinerary down to the minute, both the formal and informal. Noting that they put a huge amount of effort into hosting them. Aiming to make the most out of the face-to-face contact. Often in the aerospace industry the negotiations go on for several rounds and are often done over email, and the reality is with long term deals it takes time so making the most out of the face-to-face meetings is important. Long term and short-term expectation are something which negotiating parties consider. Will this negotiation have the propensity to start a long-term relationship or is this a short-term deal where the outcome is the only thing which matters?

Falling into the same category of informal activities that strengthen relationships with the other side is small talk and humour before the negotiations begin. When negotiating face-to-face respondent 2 highlighted how small talk helped to place an emphasis on building a rapport and respect with the other parties. Respondent 4 called it “friendly small talk” and respondent 5 referred to it as “working your network”. Respondent 1 said that during this period before the negotiations began, the small talk was a time for her to prove herself. Being a reasonably young female engineer in a male dominated industry, meant that she ended up putting in a lot of time and energy into this pre-negotiation period to build respect of the people she was working with.

“I must prove that I am the right person, in the right place to have these talks [...] I must work some additional miles to prove something to the others”  
(Respondent 1).

Respondent 7 expressed just how important small talk was before the negotiations to get a rapport going. Highlighting that ‘chit chat’ outside of the meeting and finding things in common helps, although it is not 100% critical. It helps to build trust. However, respondent 7 stated:

“Obviously if neither of you can speak the same language, it’s incredibly difficult. I mean you just can’t strike up any kind of relationship”.

So small talk is an important element of face-to-face negotiations and can help build trust and a rapport with the other parties. Respondent 11 noted that with small talk and humour some care must be taken so as not to offend the other parties’ culture or ways. Noting that they often do research before making jokes and small talk, just in case there would be the possibility to offend. Respondent 11 did voice that small talk and humour is a powerful tool for cutting through barriers. However, if there is a limit such as time, language barriers, or the nature of the negotiations, then the respondents’ answers show that it is not the end of the world to skip small talk. Rather a nicety than a necessity.

#### 4.4 Experience negotiating during the pandemic

When asked to briefly summarise the changes within their organisation and industry during the pandemic, 100% of the respondents' said that their work went fully online. The pandemic has accelerated the introduction of digital workspaces and many organisations are faced with navigating this new way of working in real time (Baber & Ojala, 2020). All respondents handled their negotiations online and business continued as normal, if not better during this period for some. Negotiating online brought its own tribulations and challenges, noticeably impacting the ability to build relationships in the same way, the lack of body language, and technological problems. However, advantages were found including cost saving, time saving, having all people online at the same time, being able to get information shared quickly and being able to hop onto video conferences at the drop of a hat.

"The pandemic for me, was very long not being able to travel and in the first place it was a burden as we were used to having social contact with all the people. Then it turned out that video conferences play an important role and they are useful and its very good to use especially if you want to transfer or transmit technical content". (Respondent 8)

"Yes, there were significant changes in the way we did business, because well, you couldn't meet, and this led to certain advantages and disadvantages". (Respondent 2)

"Initially there was a massive change because when obviously there was no visit, no face-to-face contact. But in the beginning, I'd say for at least 6 months, if not more with some customers, it was very difficult to get them used to online meetings". (Respondent 4)

"There wasn't a choice, you had to move online [...] all international events, all general travel and such, that all stopped". (Respondent 6)

"We closed our office and went 100% remote in the pandemic [...] but I didn't see a huge difference in that just because I suppose we had large projects and spaced out, so you had revenue recognised for years to come". (Respondent 5)

"Moving online during the pandemic is difficult. It's a curse and the industry can't get people back to work...the reality is people are less efficient, they make more

mistakes, and it takes longer to get decisions. Within the supply chain working from home is an absolute fallacy". (Respondent 11)

Respondent 3 talked through a new way of working for their industry during the pandemic where once the currency was printed, traditionally before the mass printing of the new currency they would print 1-2 currency examples and always take them in person to the customer for approval. During the pandemic they had to revert to sending the newly printed bank notes by courier to the customer and then having the approval of the specification during online video conference.

For respondent 9, the beginning of the pandemic introduced them to new ideas of working. Mentioning that some of their business ticked over and some slowed. They spent a lot of time establishing contacts, including one of the companies for which they are now a head of strategy. Learning that even with purely online working you can establish a contact, get stuff done, negotiate a new business relationship and sell things. Noting that in the beginning they were sceptical with purely using online means, but now can see the how powerful of a tool it is.

"I work remotely and probably do 80% of what I need to do in this forum and there is real value to this kind of format". (Respondent 9)

#### **4.4.1 Background to the negotiations**

A common theme amongst the respondents was the ease of moving to online negotiations when you had a pre-existing relationship with the other party. This aligns with Belkin et al's., (2013) research who noted that if parties had never met before face-to-face, trust was especially hard to gain and that any trust that was gained was viewed as 'fragile'. Respondent 1 noted that during the pandemic when negotiating online with a new client it was very difficult and required more energy to kick-start the talks. Furthermore, often it included more people from both sides to begin with which was unnecessary and caused more problems than it helped. Respondent 8 noted that the social side to video conferencing was made much harder when talking to a party that



you haven't met in person before. According to research conducted by Naquin and Paulson (2003) people approach online negotiations with lower levels of trust than they would in face-to-face negotiations.

"So, video works well for technical information sharing and it is time saving and saves a lot of money on travelling. But if you do not know the people, then you cannot build up much of a relation. Which you need to do". (Respondent 8).

"I think it very much depends on whether you knew the person before or you were having to get to know them. Online for people you knew before wasn't too bad, but if it was new people, it was horrible". (Respondent 3)

"We were very fortunate going into the pandemic because there were several projects which we had been working on where we managed to do enough face-to-face before the pandemic to allow them to run through and we managed to close quite a few deals". (Respondent 4).

"The American company I was negotiating with, I already knew the lead negotiator from face-to-face meetings, it helped that I knew him. Trust could have been different if I didn't". (Respondent 2)

"There were a couple of cases which we had during the pandemic where I knew all the customers and I had met them in person, then it was much easier". (Respondent 10)

Respondent 6 who works in the media industry, expressed how technologically fast this industry moves. Even prior to the pandemic a lot of talks would be held online. Therefore, spending a large amount of time on the phone with people meant you could pick up on their tone of voice, the silences, eagerness to speak, eagerness not to speak and you could learn a lot from this. Even though within online negotiations the negotiation dance is a little different, ultimately Turel and Yuan (2006) argue, there still needs to be trust.

Respondent 5 indicated that the time spent speaking on an online meeting was more intense than it would be face-to-face, so when asked about meeting a new customer online during the pandemic:

“I don’t know because it’s quite intense meeting somebody online. I think because you’re literally talking face-to-face, aren’t you? And communicating. And you must fill the call, you can’t easily walk off and make an excuse and go”. (Respondent 5)

Negotiating online a few respondents thought was a neutral space. Neither party had any familiar environment to rely on. In respondent 8’s opinion this neutral space was not an ideal frame to have and thought a familiar environment was much more fitting when negotiating. This agrees with Walther (2012) who notes that being able to negotiate from one’s own space in theory should reduce anxiety and help build effective contact.

“The location of the negotiation itself could be something that would give one side or another a power advantage”. (Respondent 2)

“I think the online platforms were usually neutral for everyone”. (Respondent 10)

Respondent 5 mentioned a platform, a small start-up company which thrived in the pandemic where you could host meeting and events, Hopin. Hosting a whole event where you could have separate meeting rooms virtually to negotiate and then separate coffee break rooms and rooms with hosts. It created this neutral space, where parties can talk, host presentations, and break for coffee.

#### **4.4.2 Atmosphere within the negotiations**

Respondent 2 noted that when negotiating face-to-face there is a hard stop as people need to go the airport at some point. Similarly, that when negotiating online, people’s diaries are so full and there wasn’t going to be the possibility to have this talk again. Galin et al., (2007), noted that when negotiating online there is the challenge that reaching a satisfactory decision takes longer online than it does in face-to-face scenarios. Arguing that in their experience, you were under more time pressure negotiating online than you would be face-to-face. People have allocated a few hours towards a meeting, rather than two days. In this sense, according to respondent 2 people were not more

confrontational when negotiating online as there was less time to pick it up later if a negotiation was not finished.

The respondents were asked a question concerning conflict when negotiating online, Walther (2012) had concluded that in certain cases online negotiation can be better handled through a more aggressive strategy, as there is a lack of social-emotional cues. They were asked if they found that the other party was braver and asked for more due to the large proximity between the parties. Not physically meeting could mean that people have more courage to go in higher and harder. There were mixed answers to this from the respondents. Respondent 8 described that often-opposing parties used an interpersonal approach to hide behind as a barrier, so negotiations became less personal and asked for more. However, respondent 8 did mention that this only happened with opposing parties who they hadn't met before in real life.

On the other hand, according to respondent 4, some customers could view having their video off as an advantage as they could be more relaxed and ask questions. When negotiating online, there is a level of anonymity, so people have the confidence to speak up more. Respondent 4 responded "definitely", when asked if they found people were braver online. Respondent 9 mentioned that in their experience junior people often found online platforms an easier space to be heard and could be braver when negotiating, this correlates with Walther's (2012) findings that negotiating online minimises people's worries about speaking up, thus promoting team cohesion and efficiency.

Respondent 6 replied that the potential to have an increase in conflict between the parties' concerned supply and demand. No one wants to ask for more, but you do it because it is a business necessity.

"There is a fear you will lose or damage client relationships by putting up the price too much. But everyone understands that if everything else is going up, this must too. I look at my sales team and tell them to ask for 15% more and tell them

that it is how it is. You could see the dread in their faces, they didn't want to do it". (Respondent 6)

In addition to this, respondent 6 noted that in their experience negotiating on the phone without video made people braver. Although they noted this may not be the case in all industries.

Respondents 4, 5 and 7 explained that in their experience there was no increase in conflict when negotiating online. Respondent 5 did note that in their experience people were quite fair in making sure everybody had the chance to say what they wanted to and although there could be some dominating personalities, overall, there wasn't too much of a difference.

#### **4.4.3 Strategic factors within the negotiations**

Trust is an integral part of negotiations, both online and face-to-face, it is a pre-requisite for credible negotiations (Weiss & Strip, 1998). When respondents were asked for their experience of gaining trust solely through online negotiating there was a mix of answers. Respondents 1 and 8 held the same opinion that you cannot build 100% trust through online means alone. These viewpoints are in line with Stein and Mehta (2020) who stated that trust is gained at a faster rate in face-to-face situations due to the trust developing on nuances rather than just data.

"I must admit that I cannot build 100% trust over online conversation and cooperation because I'm not aware who is cooperating with me, and the main point is that with online meeting you cannot have this informal relationship". (Respondent 1)

"I think personally I have very limited trust over only such online meetings. I think it can be very problematic to push boundaries of suppliers that you do not really know". (Respondent 1)

"I don't believe you ever build a relation with a person you know only by internet, sorry to say. How can you trust someone you know only from videos; I

don't think you can. You want to see the whole person, the body language, and the behaviours skills for the person. This is all extremely important in my opinion to build an image of the whole character" (Respondent 8).

Respondent's 4 and 10 agreed that trust was found online easily if it already existed prior to going online. You knew from video calls their facial expressions and whether their face gave away clues to their thoughts on what was being shared. However, it was limiting only being able to see their faces as being able to see entire bodies gives a much fuller picture. Shonk (2020) refers to videoconferencing as 'talking heads', to only see their heads is incredibly limiting and impossible to get and hold eye contact. The lack of eye contact could impair the negotiators' ability to build trust and rapport. A strategy of respondent 4 was to analyse the questions the other team were asking in response, trying to judge whether they liked your question, from the way they were responding.

Respondent 6 was confident that trust could easily be found online, and it was about constantly delivering what you have promised. Although trust can become harder to form and easier to break in online environments (Belkin et al., 2013). Trust can be found in consistent behaviour, replying quickly to emails and being able to provide a video call within 48 hours when requested.

"It is about delivery and performance as much as it about delivering trust and meeting somebody". (Respondent 6)

Respondent's 9 and 11 echoed very similar opinions to respondent 6, stating that trust is established through consistency. Forming trust is an incredibly delicate process and negotiating online can create a vale of invisibility (Harkiolakis et al., 2012). Therefore, spending time understanding the other persons values and how are these values show themselves in their behaviour. You can see this behaviour online through how they respond and execute decisions or do the tasks that they need to be doing. Behaviour gives a sense of trust of who the person is and then signals what we need to watch for from a trust standpoint.

Negotiators with higher general trust appear to be able to gain trust immediately when the negotiation begins. According to Colquitt et al (2007) the rationale is that a higher general level of trust can translate into increased positive expectations of others in general, referred to as swift trust. Swift trust encourages people to show and accept vulnerability when engaged in tasks.

A strategic disadvantage of online negotiations that respondent 2 mentioned is that you're not physically sat with your side. They are online with you, not physically. So therefore, it is much harder to do on the spot break outs and decisions. When negotiating face-to-face, if you needed to leave the room you could. But overall, it was harder to make substantial progress when the communication between your own side is limited.

Navigating technology when negotiating online is tricky. Brett and Thompson (2016) suggest that technology can facilitate conversations within negotiations and help to improve the creativity of the conversations. However, not all countries have the same access to working technology with sufficient bandwidth to host the necessary video conferences. Respondent's 3 and 10 explained that when negotiating online everything took longer and despite trying to use video they rarely did with culturally distant countries (from the UK) due insufficient bandwidth. Noting that the use of technology differs a lot between cultures, and in theory it could work well but in practice it is difficult and stilted. Shonk (2020) noted that technical problems can influence the negotiators state of mind in a negative manner. Respondent 11 commented that when negotiating with people who had native languages other than English, often things could be misconstrued online through meeting platforms, compared to email and face-to-face where things were much clearer and precise. Respondent 11 did note that the pandemic has accelerated the use of technology and can appreciate how useful it is for communicating.

Respondent 4 made the point that within their industry there is much which cannot be disclosed or shared. So, when the pandemic hit, and customers had to learn how to work the technology within a very secure environment. It was hard in the beginning as suddenly sharing screens and e-mail addresses was difficult as the nature of the work is incredibly secure. There were problems around people wanting to trust the technology. In addition, when negotiating with African customers, respondent 4 noted that it was often hard to tell who was the one speaking as no cameras would be on and the names of the participants were initials only. This made it difficult to really get a rapport going.

Respondent 6 highlighted that even when technology works well, people often do not show the same respect for negotiating online as they do face-to-face. This agrees with Belkin et al., (2013)'s argument that the increased physical distance between the parties when negotiating online can leave some parties feeling less accountable towards the negotiations. The example of having 8 people in a meeting, but 3-4 are clearly doing other things such as stroking a pet, distracted by their computer, or playing with the mute button. Shonk (2020) notes how easy it is for people to get distracted while negotiating online and implies that extra attention should be placed on concentrating rather than multitasking. People can attend meetings very easily online but may not actually add value and may not actively participate, being present but not engaged. However, respondent 6 did note that with the increase in people being technology advanced there was the propensity to have greater outreach of potential consumers through things such as automatic outreach, which refers to automatic personalised messages. In the media industry, if you are original with your message and it is personable the ability to reach prospective clients is greater. Both strategy and tactics are important to reach the end goal (Saner, 2003).

#### **4.4.4 Cultural factors within the negotiations**

The respondents were asked if they thought the role of culture when negotiating with culturally distant countries was diminished when negotiating online mixed opinions were given. Negotiating online can increase the awareness of differences between the

participants (Shonk, 2020). Respondent 1 thought that culture still had a relatively large role to play, and you could still see the hierarchy even online when negotiating with Asian suppliers. Respondent 8's opinion agreed that you can still see hierarchies when negotiating online and that Asian countries still maintained incredible discipline when negotiating online. However, respondent 8 pointed out that when negotiating online within Europe often the structure of the negotiations was chaotic due to everyone speaking at the same time. Respondent 3 vocalised that in their experience the role of culture still existed online, but in a much more diminished and hidden way. Respondent 9 argued that cultural differences are still prevalent when negotiating online and diminishing them in any way is done at the other parties' peril. Recognising that the cultural differences exist and behaving in an appropriate way accordingly is respectful and important.

Due to the time saving element of negotiating online many respondents noted that they would be negotiating with many more people than they would in a face-to-face board room. Respondent 10 mentioned that pre-pandemic they would have been in a negotiation room with 3-4 other people, and now online when negotiating they can be faced with 20 people and most of them remain silent. Inequal participation during online negotiations is a point raised by Thompson and Nadler (2002). Although respondent 8 argued that negotiating with more people does have its advantages as you can get very specific information (i.e., technical information) quickly, but you cannot see the body language of the other party in the same way, and this makes things difficult.

Respondent 4 noted that generally they did not see an increase of people joining online just for the sake of joining, and that meetings generally kept to the relevant people. However, when negotiating with African customers often there would have been 12-14 people online, a much higher number than face-to-face.

Respondent 7 highlighted that negotiating online bought the advantage of more people from one country but different locations (e.g. the USA) could all come together online.



Whereas in their experience when negotiating face-to-face, not all people would come together physically to one location for various reasons.

Respondent 6 voiced that they often found themselves negotiating with more people online as other people were often under pressure to fill their diaries internally and to appear busy. Similarly respondent 9 noted that there was endless juggling in organisations. Noting that it was almost impossible to get the right people in an online meeting room together because everybody is loaded with online meetings back-to-back.

When negotiating online, Belkin et al., (2013) found that negotiators who begin an online meeting with humour have been proven to have greater interpersonal trust, increased satisfaction and have a better chance of a mutually agreeable outcome. Sharing humour before the negotiations begin, Belkin et al., (2013) argue will do more good than harm, in terms of creating trust. Humour is perceived as valuable and often as humans we subconsciously respond kindly to things we perceive as valuable. Belkin et al., (2013) do note however, that humour is culturally subjective and what is perceived as humour differs across cultures. This aligns with respondent 1, who stated that when negotiating online they tried to avoid making jokes or any humorous small talk due to the fact it can be taken wrongly online. People can have a hard time looking outside of themselves at how others may interpret their joke or light-hearted moment (Belkin et al., 2013). Ultimately this leads respondent 1 to maintain a professional and strict persona which would be different if they met face-to-face.

“I’m trying to avoid making any jokes and trying to be very professional and very strict, which of course would be different if I would meet with them personally, because I think my jokes are quite funny”. (Respondent 1)

“There is no time for any chit chat or any humour. You need to start directly with the real topic’ (Respondent 10)

When negotiating online, respondent 8 stated that even if it is nearly impossible to build a strong relationship online you still must show interest through small talk. Whether

that consisted of talk about the pandemic or the surrounds in the video it was important to break the ice. Respondent 4 highlighted some of the same points, noting that a lot of the small talk centred around the pandemic and asking about how much the other party had been travelling. It is important to be diplomatic in the small talk online and not just talking to the members of the other party which you may know previously.

Respondent 4 explained that often accents can be hard to interpret online. For example, respondent 4 is from Wales and often found that their Welsh accent was hard for some nationalities to understand when not speaking in the same mother tongue. In the same way humour for non-native English speakers (or completely fluent speakers) was often lost.

“You know, any sort of quips or one liners don’t have the same effect at all”.  
(Respondent 4)

Respondent 6 highlighted that it was important to be polite and have a conversation with the other party. It was also a good time, during the pandemic, to find out how other countries are doing, and the small talk often centred around the pandemic. However, often it was tricky to come up with original conversation, instead of repeating the same news cycle daily.

Respondent 7 noted that small talk was better online than face-to-face as it was easy to get a dialogue going.

“You can see into someone’s space, like you can see the poster behind me. People would often strike up a conversation about this. It was much more informal, it felt as though you knew them much better by being able to see into their space and have little chats about what you see. People would be very open and start telling you about their families and such”. (Respondent 7).

Respondent 5 agrees with respondent 7, the small talk was even more online. Noting that for some quieter personalities would often participate in the small talk using funny links and often use the chat column quite frequently. Personally, respondent 5 found

themselves more daring with the small talk online and the dry humour was easy to convey in an online platform.

An integral part of face-to-face negotiations is the informalities which exist. Both the subtle conversations and the larger lunches and dinners. Respondent 3 noted that online breaking the ice was harder, especially when English was not the first language of the other party. Furthermore, when online you cannot see when it is time to take a break. You cannot see the eyes glaze over, so to say. There is no cue for the formal to end and the informal element to begin. It is just more stilted.

Respondent 6 argues that not being able to have the informal aspect did not inhibit things in their experience. Noting that the way of doing business had changed, some ways for the better and some ways more antisocial. Respondent 9 responded that informal aspects will never be the same as face-to-face, that aspect is irreplaceable but that we can align a certain amount and adapt into the online context. Doing what is possible to still build a good rapport with the other party.

Respondent 5, who mentioned the platform Hopin, highlighted the social element of it. Noting that whoever was organising the event could get people to break for coffee and have one-on-one talks to get to know each other. However, respondent 5 did note that in their experience it was quite hard work to be in these coffee rooms and very intense compared to online and would not suit everyone. Furthermore, respondent 5 noted that with the lack of informal element in the negotiations, frustrations or communication is heightened, especially for certain personalities. There was a propensity to not have the same types of conversations over video if the topic of negotiation was sensitive, and sometimes the talk was dominated by one or two people.

Respondent 2 gave an example where when entering talks with a Japanese company during the pandemic, they were adamant that they wanted to meet face-to-face before discussing terms. Culturally, it was so important to them to meet the other party before

discussing anything that they refused to negotiate online, due to the pandemic neither party could travel so the deal was lost.

#### **4.4.5 Post negotiations online**

In respondent 4's experience, a large majority of post negotiation work, after the online negotiation was done by emails. You would take notes during the video conference and then follow up with the minutes of the meetings. The minutes of the meetings would then go back and forth between the parties, answering any more questions that were had. This was quite a long process, but it did give the chance for everything to be thoroughly answered.

Respondent 7 noted that in their experience post negotiations consisted of going back and forth by email, getting the lawyers involved and crossing all the T's. Respondent 5 noted that people did end up getting very good at articulating themselves at the end of talks. The call would be wrapped up well, so that everyone knew where they stood and what the next steps were.

“They gave praise where maybe they wouldn't before because they would want us to go away thinking that how I went and the follow up is going to be positive. I found a few times that people would give much more information in a wrap up online than in person. The actions points and takeaways were clearly marked which was helpful”. (Respondent 5)

The detail of closing the negotiation was often finalised on email, as people could offline go through the contracts with a fine toothcomb and 'flesh it out'. Video and calls would be used if people had further questions, but the detail was done via email. Respondent 10 noted that there was the advantage that when negotiating online everything could be solved within a couple of hours and you have a clear summary and then you can switch to a totally different topic. The answers from the respondents about closing negotiations online differs from the research presented in Stein and Mehta (2020), who note that it is not advisable to use online platforms to close negotiations. To reduce

mistrust and uncertainty it is best to handle this business in person. It is arguable through research conducted in this thesis that the post negotiation stage and the means through which it is best handled is subjective to both the parties and the industry and that ultimately, handling negotiations online does allow for time and cost-efficient communication and many platforms do allow for a wide range of visual and verbal signals to be communicated (Harkiolaksis et al., 2012).

#### **4.5 post-Pandemic negotiations**

The future of face-to-face versus online international business negotiations is highly subjective to the industry, country, and organisation. There was common a theme mentioned by many of the respondents, a hybrid strategy. A strategy where one or more parts of the negotiation would be held face-to-face, whether that was the kick-off event, the negotiations themselves or the signing of the contracts. Hosting at least one part of the negotiation process in person, preferably in an informal setting allows for members of the negotiating party to gain a basis for trust (Kutzberg et al., 2009) These answers were all subjective to respondents and their way of working. Several of the respondents, noticeably within the currency printing industry were very quick to say that face-to-face negotiations are back in full force for the future. Respondent 3 noting that they hadn't noticed a hybrid strategy emerging within the currency industry.

“Virtual is much more important now, but I think that face-to-face where you can, is still the right kind of thing”. (Respondent 2)

“Being in the same room is now a courtesy rather than a necessity”  
(Respondent 6).

“I think it will be hybrid, a lot of the stuff at the beginning will be done online. Possibly if you're getting close to signing a deal, and especially if it is a very big deal then you may have a face-to-face meeting as its more of a celebration, a signing ceremony”. (Respondent 7).

“I have to say in the future, we will have a kind of hybrid. So, we will travel on site and will have the finalisation of the deal will be done in person, so it's a hybrid approach and maybe that is the right way to do”. (Respondent 8)

“I think travelling will resume, but not at the same level it was before”.  
(Respondent 1)

“Yes, it’s hybrid and I don’t really see that changing”. (Respondent 9)

“Most probably it will be hybrid, within our industry often the negotiation is okay to be handled online and have the pre and post phases in persons as these are the important parts” (Respondent 10)

“I think it’s a hybrid thing. I think you still need to meet up once a year at least. But for quick meetings online platforms work well and they allow you to get closer”. (Respondent 11)

An element of the future of international business negotiations is also paying attention to what your competitor is doing. If they are travelling to meet people, then it is important to compete.

“You are also judged by your competition as well. I think that is another important factor is that if the competition is out there face-to-face, then you must be. Perhaps we are a self-fulfilling prophecy, but face-to-face is still needed”. (Respondent 3).

“We could decide that we are going to go online only right now, and my competitors are still visiting every week, so you know, you have to keep an eye on what your competition is doing”. (Respondent 4).

“You follow your competitors really closely. You see what they are doing and how they are travelling to meet their customer and even if there is only one customer travelling then you also travel so that they don’t have the sole advantage”. (Respondent 10)

Conferences are a popular event used across many industries; the pandemic saw the closing down of events worldwide. Many respondents mentioned that with the stating up of conferences again, people would be back on mass.

“Our industry relies on conferences, and these are back, and they are crammed full of people because everyone wants to get back to face-to-face. That’s face-to-face with customers and suppliers. You learn a lot more in person than you do online, and knowledge passes freely. That freedom of information doesn’t happen online”. (Respondent 4).

“Thousands of people will be together in one place, and you can go round and try to bump into as many people as you can and get them talking to you. That’s still worth it”. (Respondent 7)

“For conference and events, I think keeping an eye on the competition is healthy and wise”. (Respondent 5)

“The most important part of the conferences is the parts between the presentations, the breaks, the lunches, then evening when you can meet people. That is the most important”. (Respondent 10)

Respondent 6 notes that when travelling, it is important to see as many people at one time as possible. Noting which city, you are going to be in, seeing which customers, suppliers and other important people are going to be there and doing a whistlestop tour.

“This builds efficiency, doing a few visits and then moving back to digital and creating a different cycle is far more efficient than the old way. The old way was the client shouts and you run, so much time is wasted running around different countries”. (Respondent 6)

Hybrid strategy also allows for those with a busy personal life to also juggle business and pleasure. Dependent on the dynamic of the household, being able to judge which opportunities are worth travelling to and which can be taken online is important. Respondent 5 agrees that it is better to meet as many people as possible in one go, than it is to make one trip to see one client.

There were advantages of negotiating online, which most respondents mentioned such as cost and time saving. Respondent 8 also noted that technical clarifications could be solved quickly through online meetings which saves both time and money.

“You have more experts at the table, so more questions can be raised, and more questions can be answered, and I believe technically that is a major advantage”. (Respondent 7)

“People have realised how easy team meetings are, and people have discovered how convenient they are also to have online meetings”. (Respondent 1)

Respondent 6 mentioned the disadvantages of online business, and that is people have become more insular. Not having a healthy balance, and in respondent 6's opinion, being in your own bubble too much is not good for a lot of people



## **5 Discussions and conclusions on the future of international business negotiations**

### **5.1 Summary of research questions**

The first research question asked how organisations across a range of industries have conducted international negotiations prior to the pandemic. The answer to this research question is subjective to the organisation and industry. The main trend amongst respondents was that pre-pandemic most negotiations were conducted face-to-face. Within a few industries, such as the media industry, there was already online negotiations going prior to the pandemic. However, for the most part, the respondents interviewed confirmed that most of their international negotiating business was conducted face-to-face.

The second research question investigated how organisations have managed to remain competitive during the pandemic when conducting international business negotiations. One hundred percent of the respondents said their organisation moved online and they had to adapt to online negotiations. For many respondents the way they did business changed overnight. Especially within the currency/bank note industry. With this change the respondents had to learn how to read their opposing party through online platforms, navigated cultural issues online, ended up in meetings with technical difficulties and with many more people online than would be in a negotiating room and navigated building trust through a screen. There were many challenges that arose when moving international negotiations online, but all respondents adapted and found the benefits in utilising these platforms. Organisations remained competitive through quick adaptation, utilising the benefits that occurred such as time and money savings, and making the most out of the small talk and humour that these platforms allowed. It should be noted that some industries found it easier to move 100% online than others, as others had a deep-rooted tradition in travelling to meet customers and that was harder to change overnight.

The third and final research question surrounded how organisations will continue to negotiate internationally post-pandemic. The main answer that the respondents gave across the industries was that their organisation has adopted a hybrid approach. Conducting a portion of their negotiation lifecycle online and a portion face-to-face. This enables them to streamline the process while also capitalising on the benefits of both modes of communication. The parts of the process that organisations chose to be online or face-to-face is subjective to the organisation and their way of conducting business.

## **5.2 Contribution of findings**

This research is incredibly timely as we are in a post-pandemic working environment. Organisations have adapted back to the new normal, therefore understanding how the practical implications of this research correlate to the pre-existing academic literature is important. Prior to conducting this thesis there was not much literature surrounding current online international business negotiations during the pandemic. In general, there was not too much literature on online negotiation as a whole, whereas there was plenty of literature surrounding face-to-face negotiations. The main academic findings of this research arguably centred around trust. Many scholars who had spent time researching online business negotiations argued that trust is much harder to establish through online communication and that trust is much easier to break within online environment (Turel & Yuan, 2006; Stein & Mehta, 2020). The primary research conducted highlighted that while this is true, trust is generally harder to form purely through online communication, it is not wholly impossible. It is instead, about communicating and consistently delivering. Consistently delivering is imperative. Being able to put your money where your mouth is. Doing this, in time, creates trust and partnership between the parties involved.

Salacuse (1999) went into detail about how formal behaviour is the most fruitful when conducting international business negotiations. Again, while this is mostly true. It falls to the personalities of the negotiators. The subjective personalities of those involved highlight that if the ways of working are congruent to each other, the informal and

formal can be mixed even through online means of communication. Injecting humour, small talk, personal life aspects into the negotiations was found to be highly successful across a range of industries.

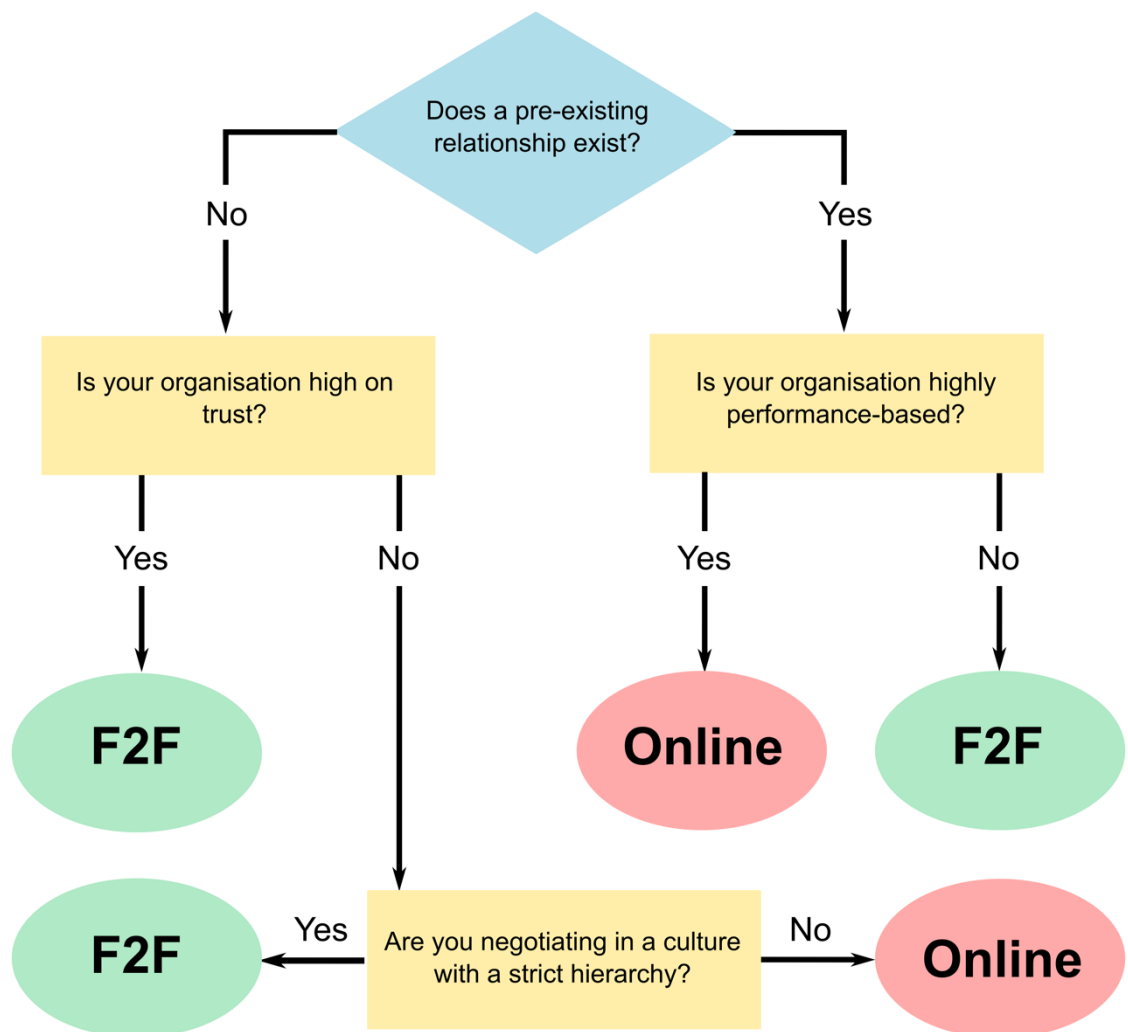
Belkin et al., (2013) found that the increased physical distance between the negotiating parties meant that some parties felt less accountable towards the negotiations. The primary research found this to be true in some extents as when negotiating online you can be multitasking quite easily. However, the research conducted was during a time when 100% of the organisations within these industries operated online. Due to this being the only option it is likely that the degree of accountability increased compared to pre-pandemic.

Operating in the post-pandemic world international business negotiations will have changed in comparison to prior to the pandemic. Research shows that organisations are more likely to adopt a hybrid approach to negotiating. This means that Ghauri's framework (2003) could be officially developed further to reflect and incorporate the new challenges and environments that are congruent with this hybrid way of working.

### **5.3 Analysis of results**

In combination with both the secondary and primary research conducted for this thesis, three flow charts have been produced. These figures are based on both the original framework presented by Ghauri in 2003 and based on the interviews that were conducted for this thesis. These figures contribute to Ghauri's model on the basis that the most prominent elements (figure 5) from the framework have been turned into questions, and these questions help to clarify the best mode of communication for each stage of Ghauri's framework. This, in turn, makes Ghauri's framework more applicable in a post-pandemic world. It is clear from the primary research that in most industries, that organisations will adopt a hybrid strategy for international business negotiations. It appears that organisations will subjectively decide which elements of the process (pre-negotiation, negotiation, and post negotiation) to conduct online and which elements

face-to-face. Depending on the goals of the negotiations, such as a long-term relationship with the opposing party, or a onetime hard deal to get the best result possible, there are subjective benefits to which parts are conducted face-to-face versus online. The below flow charts, figures 7, 8 and 9 are used to describe the three stages within the negotiation process (pre-negotiation, negotiation, and post negotiation). The flow charts determine, that if this element is true for your organisation, then it appears that online/face-to-face (F2F) will work best.



**Figure 6.** Flow chart showing research based on the pre-negotiation stage.

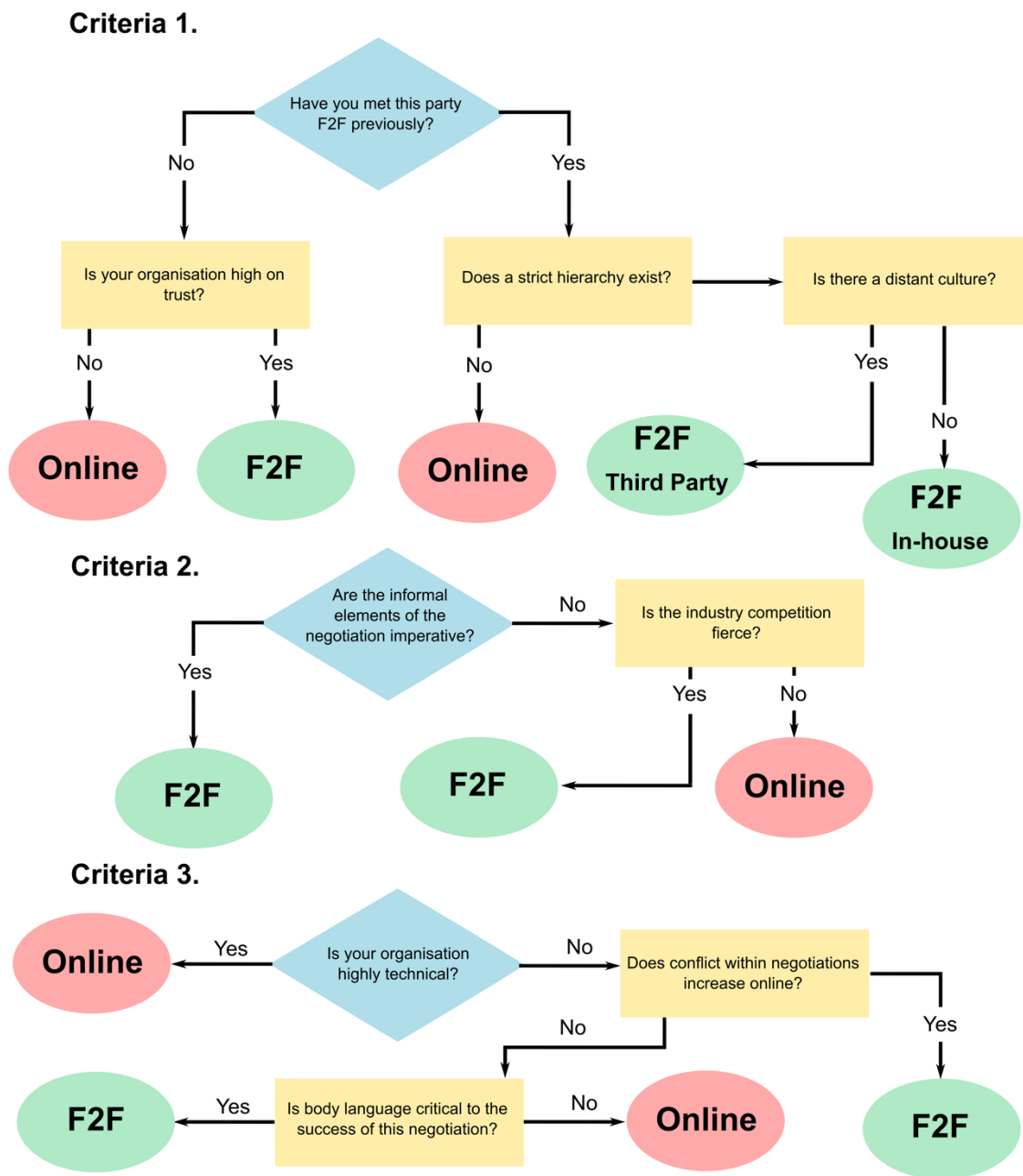
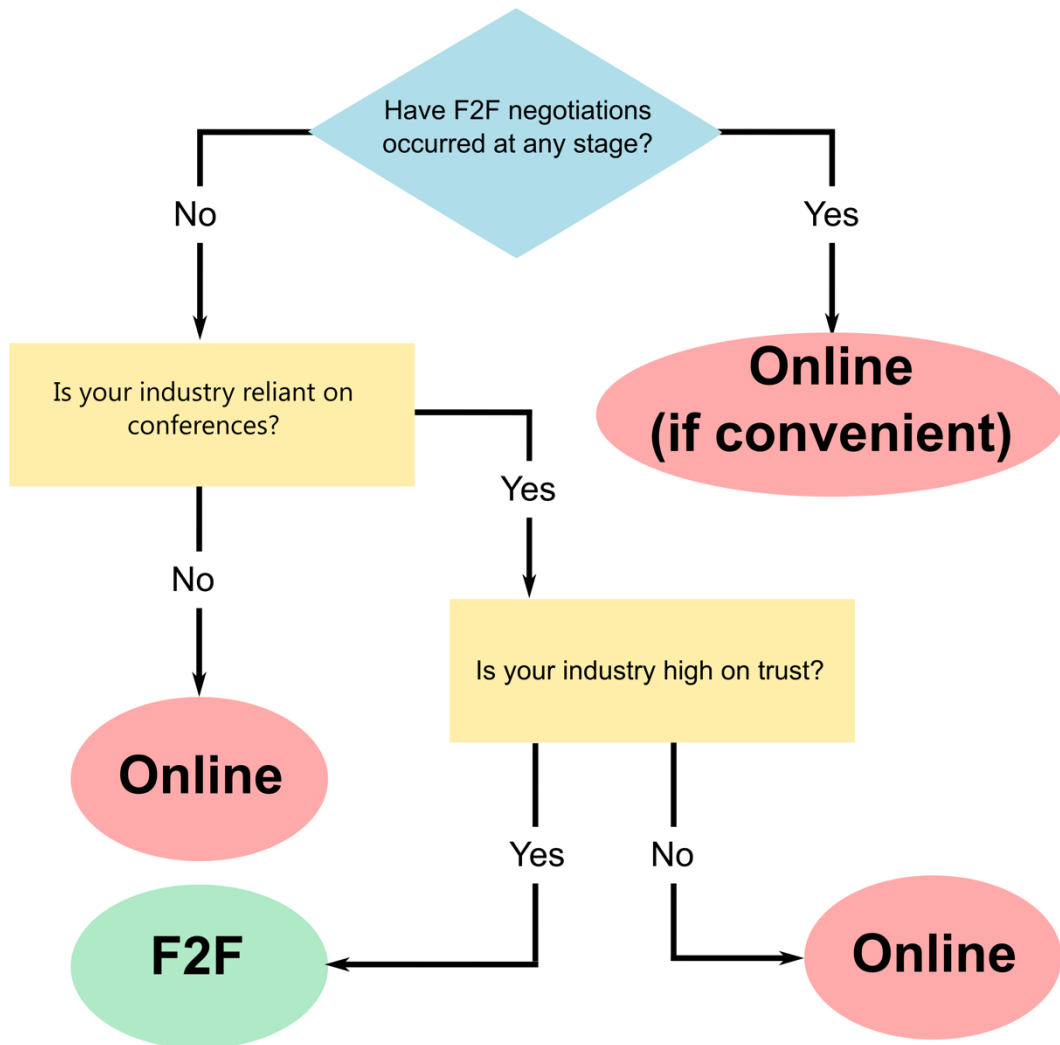


Figure 7. Flow chart showing research based on the negotiaton stage.



**Figure 8.** Flow chart showing research based on the post negotiaton stage.

Following the flow chart aims to help organisations know which is the best way to negotiate in the pre-negotiation, negotiation and post negotiaton process. No two industries will be the same, and each organisation within each industry will have different results based on what they wish the outcome of the negotiation to be. The flow charts highlight how all parts of the process are intertwined and impact each other. A holistic overview is necessary when deciding which is the best platform for the negotiation to take place. This research has important implications for negotiators to understand the benefits of hybrid negotiations across industries.

## 5.4 Managerial implications

This study aims to provide a thorough account of how organisations across industries have negotiated through the pandemic and how they will continue to negotiate as the pandemic has come to an end. Results of the study show that going forward most industries will be adopting a hybrid strategy. This hybrid strategy consists of handling part of the negotiations online and part face-to-face. It is specific to the industry and organisation which part of the negotiation process they handle online and which part face-to-face. It is important for employees at the managerial level to see which part is best for them to handle face-to-face and which part online. There are benefits, which include and are not limited to relationship building between the parties, informal elements which occur, seeing and processing body language and trust building elements which occur during face-to-face parts of the negotiations. Online negotiations have benefits which include and are not limited to, cost saving, time saving, convenient, information can be communicated quickly, many people can be present at once across a plethora of locations and small talk and humour can still be portrayed. Managerial level employees can decide whether it is beneficial to have the start-up of the negotiations, the bulk of the negotiations or the end of the negotiations online or face-to-face, depending on what their subjective goal is.

Results of the study show that in general trust is harder to be found through purely online negotiations, especially if you have not met the other party in person before. A few industries broke this trend by noting that trust could be found through purely online means if the commitment to delivering consistently was there. There was a consensus that if there was a pre-existing relationship between the parties then negotiation online with trust was very plausible and doable. Solely handling the entire negotiation process online was viable in some industries and not in others. The trend within this study was that newer industries were comfortable handling the entire process online and more traditional industries were placing emphasis on handling the negotiation process face-to-face. However, a preferred method across all industries was to enter a hybrid method

of negotiations. Understanding the industry you are cooperating in is important for managerial level to take into consideration.

A final managerial impact is to keep an eye on what your competitor is doing. Within this study it was highlighted that watching your competitor is important, because if they are travelling to meet people face-to-face, then so should you to remain competitive. It is worth noting, this may not apply to all industries. However, industries that had a significant amount of face-to-face business before the pandemic should keep a close eye on competition to see what elements of the negotiation process should be handled online and what elements face-to-face.

## **5.5 Limitations of the study**

Every study conducted contains limitations. A limitation within this study is the sample size, with only eleven people interviewed and across six industries there is room for generalisations and that different industries not interviewed could have different answers. This study, however, aims to provide data and draw conclusions from the sample size used. Due to the unprecedented subject studied and the limited previous research available on this topic the sample sized used of eleven respondents is a good place to start. Eleven respondents according to literature was sufficient to reach saturation to uncover additional nuances within this topic a higher number of in-depth interviews could have been conducted, 16-24 interviews (Hennink et al., 2020). The interviews varied in length from 25 minutes to an hour. In the longer interviews fatigue of the respondents could have occurred as they were doing most of the speaking. This fatigue could have led to a misunderstanding while responding to the questions.

Another limitation could arguably be the online interviews. In some cases the respondents were not at home at a desk with a stable connection. To fit the interview into their day they had taken the interview while outside of the house, for example one interview was conducted from a taxi in Dehli. This in at least one case lead to a breakup of the internet connection, and there was room for the questions and answers to be



misunderstood. However, in general the internet connection was sufficient, and the transcript was accurate for use later when coding the answers.

A final limitation is the novelty of this topic. In 2023, arguably in many countries we are at the end of the pandemic, and we have returned to normal. As seen in many of the respondents' answers. Due to the pandemic being unprecedented, there was not a huge amount of previous research on the topic available for the literature review of this study.

## **5.6 Suggestions for future research**

The results of this study provided interesting new data on how organisations are operating as the pandemic ends. It could be useful to expand the sample size, both with an increase in the number of people interviewed, the industries and the nationality of the respondents. More examples from both the industries already interviewed and other new industries are needed to build confidence that the research conducted applies. Expanding the sample size would allow for varied answers and it would be interesting to see if the age of respondents, or the years active would differ within the responses. A wider range of nationalities of those interviewed may extend cultural bias but it may also avoid it as well. Ultimately expanding the number of respondents would allow for reinforcement of findings from this study and highlight any broader trends.

Secondly, as highlighted by the respondents, in many industries, online working is here to stay. It would be good to conduct a general study of how different modes of communication impact how organisations work. Understanding how different communication mode impacts certain areas of business. Are there certain areas which benefit specifically from online work, or face-to-face work? Understanding how different areas within organisations operate and ways in which they operate best from a business standpoint.

Thirdly, the actual framework from Ghauri (2003) could be further developed based on these findings and any future findings. Removing the elements which are strictly for face-to-face negotiating and adding in important elements of online negotiating such as existing relationships, number of people present and technology. Further developing this framework would enable it to be more applicable to the current ways of working in the post pandemic environment.

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## 7 Appendix

### Interview guide:

#### Background information:

- Date and place:
- Job position:
- Industry:
- Job description and responsibilities:

#### General background on negotiations pre-pandemic:

1. How many years have you handled international negotiations for? In general, are you negotiating domestically or internationally? If internationally, across cultures?
2. How have negotiations been handled pre-pandemic, in-person negotiations; the build up to the negotiations, when were objectives set, strategies used, body language, the environment, third parties etc. How much time was dedicated to understanding the other parties culture?
3. What did the pre-negotiation, negotiation and post negotiation stage look like when conducting face-to-face negotiations? Was there any emphasis on personal relations with the opposing side? Atmosphere and expectations.

#### Pandemic:

4. Throughout the global pandemic have you seen a significant change in the way that you have handled your negotiation business?
5. Please could you explain these changes in terms of technology, what platforms were used to facilitate the negotiations? Email, phone calls, video calls?
6. Did the lack of physical interaction inhibit your performance in anyway? Where was trust found using online platforms?
7. How were the objectives of the negotiations decided upon?
8. What were the major changes in atmosphere that you noticed? (Conflict/cooperation, Power/Dependence, expectation)
9. If negotiating internationally, what role did culture continue to play? Was the pattern of communication the same, personal relationships, emphasis on time?
10. Not being able conduct formalities around negotiating such as to physically shake hands, or go for business lunches/dinners, or see the other party in 'real life', inhibit the process?

11. Was there any humour or small talk involved prior to beginning the negotiations, 'breaking the ice'?
12. In general, what did the pre-negotiation, negotiation and post negotiation stage look like when conducting online negotiations?

**The future of negotiations:**

13. Did negotiating online bring any noticeable advantages or disadvantages? What were the main overall challenges that were faced and overcome?
14. How do you see the current state of business negotiations in your industry?
15. In the future, what do you think negotiations will look like? As a cost-saving strategy, was performance improved? Will normal travel resume, has it already resumed?