

NEGOTIATING PECUNIARY GAINS AND ENVIRONMENT PROTECTION

Dacinia Crina PETRESCU

Faculty of Business, Babes-Bolyai University of Cluj-Napoca, Romania

crina.petrescu@tbs.ubbcluj.ro

Abstract:

The initiation and development of the negotiation process is the result of the interaction between stimulating and hindering factors, among which there are perceived winning chances and perceived risk of projecting a negative image of himself/ herself. The objectives of the research were to observe the strength of people's perception regarding these two variables and if they were influenced by the negotiation objective: a pecuniary one vs. an environmental one (both involving self-advocacy: aiming at personal benefits). From the point of view of the analyzed variables, people are good negotiators – they have high trust in winning chances and low fear of negative image, but they do not hold strong environmental concerns. The perceived winning chances were significantly higher ($p < 0.05$) in the case of a pecuniary objective compared to an environmental one, suggesting the first type of negotiation has higher chances to start compared to the second one. The negotiation objective did not influence the perceived risk of having a negative image by negotiating ($p > 0.05$).

Key words: negotiation, winning chances, negative image, perception, pecuniary, environment

JEL classification: D12, F51, Q01, Q56

1. INTRODUCTION

Negotiation is perceived by some people as an opportunity to achieve a goal, to gain, and as a stressful, unpleasant, activity by others. Moreover, negotiation opportunities are discovered and followed by some negotiations in contexts where others would not think about such possibility. Thus, many negotiation related factors vary considerably from one individual to another, making negotiation highly dependent on personal characteristics. This reality, along with the dominance and indispensability of negotiation in a society based on specialization of people and exchange between them, stimulates and justifies the interest in and research on negotiation. Starting from the premise that any action is the result of the manifestation of two categories of factors, those that stimulate it and those that deter it, the present research focused on these two forces. In the first group, studies found that power (understood as the capacity to achieve one's goals) was able to enhance the propensity to initiate a negotiation (Magee et al, 2007), the combination of power, Machiavellianism, and risk propensity stimulated one's decision to involve in a negotiation (Kapoutsis et al, 2012), gender impacted on the availability to negotiate, with men more willing to negotiate (Greig, 2008), and that personality factors (risk propensity, self-efficacy, and Machiavellianism) and country culture were associated with initiation propensity (Volkema and Fleck, 2012). The perception of a higher power than the partner and the desire to fulfill the own goals also drive people towards negotiation (Baesu et al, 20015; Fisher and Ury, 1991; Petrescu, 2007). In the second group, mistrust reduced the chances to sit at the negotiation table (Poitras et al, 2003) and, in cross-border mergers and acquisitions negotiations, national cultural distance and organizational cultural differences negatively influenced the effectiveness of concurrent phase (Ahammad et al 2016). Similarly, social perceptions, namely, beliefs related to partners' expectations were observed to impact on the achievement of better outcomes (Thompson and Hastie, 1990). Another important variable for researchers is face, because it influences conflict management styles (Ting-Toomey and Kurogi, 1998), and, thus, negotiation behavior. According to face-negotiation theory, people in all culture try to maintain and negotiate face in all communication situations – self-face, other-face, mutual face, where face is an individual's claimed sense of positive image in the context of social interaction (Oetzel and Ting-Toomey, 2003). In-

depth interviews and focus group results prior to the initiation of this study guided it towards the study of the mirror image of the self-face concern concept: fear of not creating a negative image for himself/ herself, as this was more prominent in negotiators' concerns than the efforts to project a positive image (towards self-face).

Permanent and generalized interaction between economy and environment welcomes the addition of environmental component to the focus of a negotiation research. Economic development and technical progress have been bringing welfare at a high pace to many people since the Industrial Revolution, but they are, at the same time, destructive, by putting an enormous pressure on the natural environment, which is depleted, polluted, and less and less capable to recover. As a part of the environment, humans are faced with these consequences and must find long term solutions if they want to last more than a few generations (McCormick et al, 2016, Petrescu-Mag et al, 2013, Petrescu-Mag and Petrescu-Mag, 2012, Barbir and Negrea, 2014, Sirbu et al, 2014, Tulbure, 2010).

In this context, the objective of the present research was two folded: to discover which are the perceptions on the chances to win and the perception on the risk of projecting a negative image by negotiating and to see if these variables are influenced by the negotiation type – oriented towards pecuniary gains and towards environmental objectives (both personal, belonging to a self-advocacy context).

While the negotiation topics are very numerous divers, the focus on the Romanians' perceptions on winning chances and on the risk of creating a negative image and the inclusion of the environmental dimension in the analysis represent original aspects of this study.

2. RESEARCH METHODOLOGY

The results are based on a survey using a convenience sample of 204 persons, from Romania, with an average age of 24 years, 39% of them men and 61% women, mostly from urban areas (83% of them) and with higher education (85% of them). Four focus groups were developed before the implementation of the questionnaire, each with ten participants, in order to discover the main factors that stimulate and hinder a negotiation. Among the answers obtained, the first place in each category was selected for the present study.

Thus, dependent variables analyzed were perception on the chance to win and perception on the risk to project a negative image by negotiating, both in two scenarios: pecuniary and environment related, each aiming a personal benefit (not advocating for others); independent variables were type of goal (pecuniary and environment) and gender.

Data analysis was carried out in Excel and SPSS version 21. The Mann-Whitney U test was used to compare differences regarding an ordinal variable between two groups. Wilcoxon test was applied to evaluate differences between two measures of the same group. The level of statistical significance was set at $p < 0.05$.

3. RESULTS AND DISCUSSIONS

Average perceptions on the chance to win are strong in both scenarios, with a higher value in the business scenario compared to the environmental one (Table no. 1). The belief that they will generate a negative image by negotiation is present in both contexts, at similar level, but not very high, suggesting the hindering power of this perception is not high. A different situation was described in relation to the mirror image of the variable "risk to project a negative image" – saving face, by a study on Chinese negotiators, which observed that face (the positive public and self-image a person cultivates in a social context), was an important variable, which stimulated cooperative negotiation decisions (Chuah et al., 2014).

Table no. 1. Average value for the (A) perceptions on the winning chances in a pecuniary scenario and (B) in an environmental scenario, (C) perceived risk of projecting a negative image if they negotiate in a pecuniary scenario and (D) in an environmental one

| | | (A) WiningChancePec uniary | (B) NegativeImagePec uniary | (C) WiningChanceEnv iro | (D) NegativeImageEnv iro |
|----------------|---------|----------------------------------|-----------------------------------|-------------------------------|--------------------------------|
| N | Valid | 204 | 204 | 204 | 204 |
| | Missing | 0 | 0 | 0 | 0 |
| Mean | | 3.6863 | 1.9167 | 3.2647 | 1.9363 |
| Std. Deviation | | .83613 | .84685 | .93563 | .95250 |

Source: authors' calculations based on survey results

Wilcoxon test was applied to evaluate the impact of the type of the goal on subject's perceptions on the chance to win and on the risk to project a negative image if they negotiated (Table no. 2). The type of the final goal of the negotiation – pecuniary and environmental – has a significant influence on the perception regarding the chance to win ($Z=-5.242$, $p=0.000$), but it does not influence the perception on risk to project a negative image if they negotiate ($Z=-0.111$, $p=0.911$). It can be assumed that people have more confidence in their ability to negotiation for a pecuniary goal and, therefore, they have higher chances to start a business oriented negotiation. At the same time, their fear they would project a personal negative image if they negotiated is not influenced by the negotiation goal. The structure of the sample – predominantly young people, from urban area, and with higher education – might be a reason behind these perceptions. Future studies should extend the sample to a larger demographic base, a representative sample, and to additional variables for more accurate results.

Table no. 2. Wilcoxon Signed Ranks Test results for A) differences between perceptions on the chance to win for a pecuniary goal and for an environmental goal and for B) differences between perceptions on the risk to project a negative image if they negotiate for a pecuniary goal and for an environmental goal

| A) Test Statistics ^a | | B) Test Statistics ^a | |
|---------------------------------|---|---------------------------------|---|
| | WiningChanceEnviro - WiningChancePecuniary | | NegativeImageEnviro - NegativeImagePecuniary |
| Z | -5.242 ^b | Z | -.111 ^b |
| Asymp. Sig. (2-tailed) | .000 | Asymp. Sig. (2-tailed) | .911 |

a. Wilcoxon Signed Ranks Test

b. Based on positive ranks.

(Source: authors' calculations based on survey results)

a. Wilcoxon Signed Ranks Test

b. Based on positive ranks.

Mann-Whitney U test indicated the gender had no influence on any of studied variables, neither in the business scenario, nor in the environmental one ($p<0.05$; Table no. 3). In other studies, gender influenced various aspects related to negotiation, such as: the perceived rightfulness to negotiate in the case on an environmental negotiation, with women having stronger beliefs than men that they were entitle to negotiate when an environmental issue was in stake (Petrescu and Petrescu-Mag, 2016), the frequency of the negotiation initiation, with women less frequent than men (Small et al., 2007, Bowles et al., 2007), higher likelihood of active negotiation of men (Kaman and Hartel, 1994), or the influence of gender of the negotiation partner, with men more likely than women to initiate a negotiation when the counterpart was a women (Hederos Eriksson and Sandberg, 2012). Somehow different results are presented by Mazei et al (2014), who demonstrated that differences between men and women in economic outcomes could be present, but not always, and were strongly depend on the context.

Table no. 3. Mann-Whitey U test results for differences according to gender related to perceptions on the chance to win and perceptions on the risk to project a negative image if they negotiate for a pecuniary goal and for an environmental goal

| Test Statistics ^a | | | | |
|------------------------------|----------------------------|----------------------------|-------------------------|-------------------------|
| | WinningChance Pecuniary | NegativeImage Pecuniary | WinningChance Enviro | NegativeImage Enviro |
| Mann-Whitney U | 4540.500 | 4536.000 | 4829.000 | 4571.500 |
| Wilcoxon W | 12415.500 | 12411.000 | 7989.000 | 12446.500 |
| Z | -1.033 | -1.043 | -.281 | -.945 |
| Asymp. Sig. (2-tailed) | .302 | .297 | .778 | .345 |

a. Grouping Variable: Gender

Source: authors' calculations based on survey results

4. CONCLUSIONS

People investigated in this research are good negotiators, from the point of view of studied variables – trusting in their success chances and not scared to negotiate by social image related reasons, but without an environmental concerns profile.

They are highly self-confident in their chances to win a negotiation. The confidence increases significantly in the case of a pecuniary negotiation, compared to an environmental one, suggesting subjects perceive themselves as being more skillful in the business field. An environmental negotiation is, therefore, disadvantaged, compared to a pecuniary one, in case no other factors intervene. If sustainable development goals and principles are assumed, a shift in this perception is required. Possible solutions are the increase of the strength of the driving factors towards negotiation or the addition of supplementary ones, through training, education, and information on negotiation and environmental issues (such as higher motivation to fight for an environmental goal, improvement of negotiation abilities, and of self-confidence in the negotiation power), which will stimulate initiation, development, and positive finalization of an environmental negotiation.

Subjects' perceived risk of looking bad in the eyes of the others if they negotiate doesn't change significantly according to the negotiation type – pecuniary vs. environmental, meaning the pursuit of an environmental goal doesn't have the power to lower the bad image creation risk below the level of the risk in a pecuniary context. An encouraging finding is the reduced fear to project a negative image by negotiating, in both cases, pecuniary and environmental, increasing the chances of starting a negotiation, which is the first step towards success.

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