Negotiation Analysis. The Context

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Abstract

In the context of economic development, business negotiations gain more attention from the both, researchers and business people. While researchers are trying to concatenate negotiations with other areas, businessmen are interested in gathering as much information as possible about strategies they might use in relationships with partners.

Following the model proposed by Agndal (Agndal, 2007), regarding negotiation analysis, this paper aims to identify main research elements from the context areas by analyzing 31 peer reviewed articles published between 1994 and 2017, and 12 books. It results a synthesis of the main elements to be considered for a successful negotiation.

Key words: Negotiation, Bargaining, Analysis, Context, Literature
J.E.L. classification: M30

1. Introduction

In the paper *The negotiation game*, Karrass refers to a negotiating society and mention the negotiation spirit that exists in every of us (Karrass C. , 1994). Whether a woman is teaching a child about the world, an old man spending his time waiting on a queue or a young man facing his first job interview, every of them are on negotiation stands, trying to get the maximum from that situation.

2. Methodology

For this research I managed to analyze the literature aiming to find out the main issues regarding the negotiation context.

I selected 31 peer-reviewed articles and 12 books. For finding the articles, I interrogated three databases (Science Direct, Web of Science and Google Scholar) with the following keywords: negotiation, bargaining, negotiation analysis and negotiation context.

3. The state of the research

Scientific literature presents many definitions for negotiations. Karrass define it as discussions or ideas changing with another person with different points of view, to do arrangements, to solve problems or to acquire common perspectives in every mutual problem (Karrass C. , 2016). Stefan Prutianu says about negotiation, it is the way for obtaining whatever we want from the others, in the same measure, they are obtaining whatever they want from us (Prutianu S. , 2008) and Nieuwmeijer sees negotiation as a process where two or many parties are trying to achieve an agreement through information changing (Nieuwmeijer, 1992). Hence we can say that the negotiation is the process where two or more parties are trying to get a common agreement on one or many cases.

Many of the negotiation definitions refers to:
- Involved parties
- Negotiation outcome
- Negotiation methods

- Involved changes

As Gates says, the negotiation assume complex feelings, that many of us are trying to avoid but in the same time, it is fundamental for the business growth (Gates, 2016). All the processes developed in a company assume one or many negotiations, even it's an operative meeting (in which one or many people involved, are trying to impose), a sale or a session for analyzing the product reliability. The negotiation is about presenting our personal opinion and convincing the others that it is the proper.

The experience of corporations who came in the east of Europe in the 2000s had modified the local perception about business practices. The complex processes in which companies are involved, challenges employees to find intelligent solutions to their tasks. The individual work performed up to several decades, is replaced now with teamwork. Instead of one person developing a process, now it exists an entirely team to deal with the issue. One-by-one meeting with the supervisor turned into brainstorming sessions in which every participant can propose new constructive ideas. There are studies proves that the team results are net superior to the individual ones (Saad G., et. all, 2015) (Lindsjørn Y., et. all, 2016).

Along with the changing of business style, the skills needed by the individuals changes too, focusing on relationship and adaptation capabilities. A side effect of accentuating relationships between the team members and HR policies, is the organizational behavior which started to develop and to represent a highly motivational element (Hanaysha, 2016).

Teamwork is about communication. In order for individual to deliver the required results, they must be able to work together, to complete each other and to use the same parlance. Every interaction between them represents a state of negotiation, whether it's about setting a deadline, tasks distribution or a new concept proposal.

In addition to internal interaction between team members, customer and supplier relationships are the most significantly domain in the negotiation area. Selling or purchasing in convenient terms differentiate a winning by a losing deal. The employees who manage relationships with partners, have communication and persuasion skills and often achieve superior results using well known negotiation techniques and strategies (Monteserin & Amandi, 2015).

4. The negotiation context

In order to occur – even is a success or not – a negotiation need a context. The research in negotiation usually involves the isolation of the phenomenon so that the context does not affect the results (Carnevale & De Drew, 2011) but in the real economy, the negotiation outcome depends on it.

Negotiation environment

The negotiation environment is an extremely important variable in a negotiation and can be defined as the location for the negotiation. On the beginning, all the negotiations took place face to face, being necessary the physical movement of one or both partners. The recent years' practice brings computer-mediated negotiations, weather we are talking about videoconferencing or online auctions and the partners do not have the opportunity to know each other.

Is well known that "home negotiations" favor hosts. They can feel a plus of safety and confidence, which brings disadvantage to the opponent. For a proper negotiation, it is advisable to opt for a neutral location, which is not in the sphere of influence of any party (Prutianu S. , 2000). In the same time, if the main objective is developing a long term partnership, is very important to know the partner; that's why a first visit at his office for opening any possible negotiations may be auspicious.

Time-related issues are analyzed in the literature through two recitals:
- The moment chosen to negotiate;
- Deadlines: time pressure.

The moment of negotiation is the part of the day the negotiations are actually taking place.

An expert in the art of negotiations is aware of the importance of time and will look for the best time to schedule them. Depending on the objectives, on international negotiations he can schedule the discussions immediately after the partners have landed – which give him a net advantage

because the guests can be tired – or he can leave them for the next day, which demonstrates that the relationship between the two parties is a collaboration.

A Machiavelli situation, but ordinary in economy is that in which a company encounters financial or operation-related problems – either they lost an important partner or failed to carry out a task from a contract or have financial problems – and a partner searching for easy earnings will push on the time factor and will try to renegotiate the terms and conditions, being aware that its negotiation power has dropped considerably.

Time pressure regarding the contracts' signing is a strategy applied and researched in literature (Mosterd & Rutte, 2000). Studies have shown that a high constraint on the deadlines, leads to concessions higher than the usual ones (Stuhlmacher & Champagne, 2000).

The issue of negotiation

The topic of negotiation is multiple, basically we can negotiate every event, situation or action, whether we are referring to day by day activities or corporate business operations.

The first thing everyone thinks when hears "negotiation", is selling or purchasing of goods, and this is the most widespread meaning of the studies (Buelens, M.; et all., 2007). Conflict mediation through negotiation is another area of interest, especially for international relationship studies or low. They are focusing on finding acceptable solutions for every parties involved (Goltsman & all, 2009). Other situations we can negotiate are the tasks we have to deal with colleagues, spending time or engaging in a new company.

Maybe a less analyzed area is what we cannot negotiate, and the answer at this question depends on the individual personality and involves elements related to individual or social beliefs.

Cultural context

Even we will be tempted to think that cultural context area can't exist outside of international negotiations, this subject is a lot more extensive and it can be analyzed even in domestic negotiations. In fact, when we talk about interculturalism, we don't do it considering the boundaries of territory but rather the limits to which the cultural elements of a group lie. Its values and beliefs differentiate it from another social group (Lytle & all, 1999). There are studies proving that cultural differences influence the rationality and the way in which different topics are addressed, inclusive bargaining (Gelfand & Christakopoulou, 1999).

All the cultural dimensions developed by Hofstede (Hofstede, 2017) are important when we analyze the culture of a social group but in negotiations, Brett propose a research based on three criteria (Brett, 2007):

- Individualism – collectivism
- Hierarchy – Egalitarianism
- Direct communication – indirect communication

Individualism based societies, counts on the individual's participation to the "common good". He is respected for his skills and is supported to develop actions on his own. On the contrary, in collectivism, the individual is just a member of the group and just in the group he can create and demonstrate its skills.

In the case of societies where hierarchy is highlighted, the social status prevails and the individual is encouraged to manifest themselves, gaining recognition and a higher rank in the social hierarchy (Leung, 1997); despite the egalitarianism based societies, where the merits belongs to the group and they try capping the individuals.

The communication style can differentiate a culture from another. An indirect communication style is a characteristic of collectivist societies, where the meaning of the words is provided by the social context. On the other side, direct communication is explicit; although the individuals belonging to a society in which the style of communication is direct, are in the same social context, they should not be aware of it when communicating because the message is clearly transmitted (Brett, 2007).

5. Conclusions

As in every domain, in negotiations exists a discrepancy between academic research and practical application. Often theoretical models are resuming either to parties psychological profiles (Reif & Brodbeck, 2014) to techniques that are used in negotiation or to analyze the outcome based on predefined variables. A complex analysis of the phenomenon to embrace both individual and organizational functions (Spector, 2000) and to validate the dependency of the variables is hard to accomplished because in practice there are not many similar situations that can be analyzed. That is one of the reasons for many of the studies from this domain are made having students as subjects (Agndal, 2007). Transmission of the results to practitioners is another diffuse element as Miles and Schatten observed. One of the most facile way to transmit the information is represented by those practitioners who want to specialize and who can apply the gained knowledge (Miles & Schatten, 2015). The education in negotiation area can lead even to changing the negotiation style, thing which was considered impossible until few years ago (Mazen, 2011). On the other side, teaching the negotiations can be an extremely laborious matter, which requires engagement from both the teacher and the student, or person who want to specialize (Wheeler, 2015).

6. References

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