

NEGOTIATION STRATEGIES AND PRACTICES IN MULTICULTURAL BUSINESS CONTEXTS

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***Аннотация** В эпоху глобализации навыки эффективных переговоров стали незаменимыми в политической, экономической и социальной сферах. Культурные нюансы влияют на стили и стратегии общения, часто приводя к недопониманию и конфликтам во время переговоров. Чтобы справиться с этими проблемами, в статье подчеркивается важность понимания культурных различий и использования эффективной тактики ведения переговоров. Обсуждается процесс международных переговоров, выделяются его этапы и роль психологических техник в достижении успешных результатов. Даны практические советы по успешным переговорам, в которых особое внимание уделяется подготовке, гибкости и уважению. Кроме того, в статье исследуются психологические эксперименты и используемые тактики ведения переговоров, такие как взаимность и юмор. Кроме того, в статье подчеркивается важность курсов социальных навыков для улучшения навыков общения, управления временем и преодоления стресса у работников. Также затрагиваются интересные факты о переговорах, включая исторические события и гендерную динамику. В целом статья подчеркивает сложность и значение международных переговоров в решении глобальных проблем и развитии сотрудничества между странами. Понимая переговорный процесс и используя эффективные стратегии, можно достичь успешных результатов, способствуя миру, безопасности и сотрудничеству во всем мире.*

***Ключевые слова:** деловые переговоры, стратегии и практики ведения переговоров, мультикультурный бизнес-контекст, межкультурная коммуникация, глобализация*

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INTRODUCTION

International negotiations are a complex process in which participants often face cultural differences. The cultural characteristics of countries have a significant impact on communication style, problem solving, and overall strategies. In the era of globalization, the ability to negotiate effectively has become extremely important for representatives of political, economic, and social spheres. During negotiations, participants strive to take the most advantageous position, but sometimes they may encounter misunderstandings and conflicts, which makes it difficult to achieve the desired results. Nowadays, where interaction with other people is an integral part of professional life, the ability to communicate effectively, establish contacts and work in a team becomes key. In this article, we will look at the basic principles and tactics needed for successful international negotiations, as well as strategies for overcoming misunderstandings and conflicts.

By providing a comprehensive overview of business negotiations, this article aims to equip today's students as future practitioners with the knowledge and skills necessary to excel in the fast-paced and complex world of corporate deal-making. Through a blend of theoretical insights and practical guidance, we aim to empower negotiators to approach their business negotiations with confidence, creativity, and strategic foresight, ultimately driving value creation and fostering sustainable relationships in the global marketplace.

The research methodology used in the study involves a mixed-method approach to comprehensively explore negotiation strategies and practices in multicultural business contexts. Data collection methods include observations, and document analysis to gather rich and diverse data to gain a deeper understanding of the complex dynamics of the issue.

MAIN CONTENT

Negotiation, as a fundamental aspect of human interaction, has garnered substantial attention from scholars across various disciplines. Within this section, we examine existing research on negotiation strategies and practices, with a particular focus on how culture influences negotiation processes and outcomes. We also highlight relevant theories and frameworks in negotiation research while identifying gaps in the literature that our research aims to address.

Scholars have extensively studied negotiation strategies and practices to uncover effective approaches for achieving favourable outcomes in diverse contexts. Fisher and Ury's seminal work, „Getting to Yes” [2], introduced the concept of principled negotiation, emphasizing the importance of separating people from the problem, focusing on interests rather than positions, generating options for mutual gain, and insisting on objective criteria. Building upon this foundation, subsequent research has explored various negotiation tactics, such as distributive bargaining, integrative bargaining, and collaborative problem-solving, each tailored to different situations and objectives [7, p. 32-40]. International negotiations involve representatives from different countries, making them complex and multifaceted processes requiring a high level of training and social skills.

Thus, the process of international negotiations can be divided into four main stages:

- Planning and preparation: This stage involves identifying the issues to be negotiated, setting goals, and developing a negotiating strategy.
- Opening: This stage involves the initial exchange of information and positions between the parties.
- Bargaining: This stage involves the parties exchanging offers and counteroffers in an attempt to reach an agreement.
- Closing: This stage involves finalizing the agreement and implementing it.

Culture exerts a profound influence on negotiation processes and outcomes, shaping individuals' communication styles, decision-making preferences, and conflict resolution strategies. Hofstede's cultural dimensions theory [6] has been instrumental in understanding how cultural values, such as individualism-collectivism, power distance, and uncertainty avoidance, impact negotiation behaviour across different societies. For instance, negotiators from high-context cultures, such as Japan and China, tend to prioritize relationship-building and indirect communication, whereas those from low-context cultures, such as the United States and Germany, often emphasize directness and clarity in negotiations [3].

The Harvard Law School's Report on Negotiation, titled „International Negotiations: Cross-Cultural Communication Skills for International Business Executives” provided valuable insights into international negotiation strategies. When engaging in negotiations with foreign suppliers, a myriad of challenges arises, including unfamiliar legal systems, ideologies, and governmental structures absent in domestic negotiations. Among these obstacles, cultural disparities between parties emerge as a prominent complication.

According to Hîrbu S., *culture* encompasses the socially transmitted behaviour patterns, attitudes, norms, and values of a community, whether national, ethnic, or organizational [5, p. 43-46]. Furthermore, cultural differences in negotiation norms and etiquette can lead to misunderstandings and misinterpretations, highlighting the importance of cultural sensitivity and cross-cultural competence in intercultural negotiations. Understanding a foreign counterpart's culture resembles „peeling an onion”, unravelling behaviour to unveil underlying attitudes, which reflect norms rooted in values. Cultural differences introduce complexities in relationships through various avenues. Firstly, they may lead to communication breakdowns. For instance, a response like „That is difficult” from a Japanese supplier, often interpreted as a sign for further discussion, might actually signify a definitive refusal, owing to cultural aversion to confrontation. Secondly, cultural barriers obscure comprehension of each other's conduct. Practices perceived as nepotism by Americans, such as hiring relatives, might be deemed essential for loyalty and longevity by Asian counterparts. Thirdly, cultural nuances shape the form and content of agreements. McDonald's experience in Thailand, where incorporating noodles into the menu boosted sales, illustrates this influence. Consequently, adaptation of products, management systems,

and personnel practices becomes imperative abroad. Lastly, culture influences behaviour and interaction at the negotiating table. While some cultures prioritize contract signing, others emphasize long-term relationship building [10].

From the report, we gained knowledge on various strategies, including [9].:

- Managing culture clashes: Understanding triggers such as deadlines, distractions, and emotional stressors enables better navigation of cultural differences during negotiations.
- Minimizing cultural misunderstandings: Planning ahead by considering factors like location, team members, and agenda helps reduce the likelihood of miscommunication.
- Researching counterpart background: Overcoming cultural barriers involves gathering information about the background and experience of the individuals you are negotiating with.
- Attentiveness to negotiation dynamics: Actively listening during discussions and adjusting questions if unsatisfied with responses enhances negotiation effectiveness.
- Selecting suitable translators: Before engaging interpreters, evaluating their experience and skills, and providing them with necessary briefings contributes to smooth communication.
- Leveraging team strength: Research indicates that negotiation teams tend to exchange more information and generate greater value compared to solo negotiators.
- Demonstrating respect for cultural differences, avoiding dismissal of unfamiliar practices and fostering problem-solving dialogue.
- Acknowledging how your culture may be perceived by others, adapting your approach to align with cultural expectations.
- Endeavor to bridge the culture gap by identifying common ground and fostering shared experiences, interests, or goals.

Reflecting on the insights gained from the report, we realized the importance of prioritizing cross-cultural communication and global negotiation skills. By adhering to these strategies, negotiators can mitigate the impact of cultural differences and foster successful outcomes in international business negotiations.

Many experiments have been carried out regarding negotiations, involving various scholars and researchers in the fields of psychology, sociology, and negotiation studies. The concepts discussed are well-established in academic literature:

- Reciprocity Principle: This concept, illustrated through the experiment with Christmas cards, aligns with the work of psychologists such as Robert Cialdini, who extensively researched and popularized the principle of reciprocity in his book „Influence: The Psychology of Persuasion”. In a small-scale experiment, a university professor sent Christmas cards to strangers and unexpectedly received holiday cards in return, showcasing the power of reciprocity. Reciprocity dictates that we should return favours received, a principle deeply ingrained in human culture. Sociologists affirm its universality across societies. This principle, coupled with the fear of social disapproval, often leads people to reciprocate more than they initially received.
- Social Skills Courses: Scholars like Daniel Goleman, known for his work on emotional intelligence, studied nonverbal behaviour and power dynamics, and has contributed to understanding the importance of social skills in professional success. Social skills courses help employees enhance their communication abilities, leading to better relationships and reduced tension within teams. By promoting effective communication and stress reduction, social skills courses contribute to fostering a culture of cooperation and mutual support within organizations.
- Negotiation Tactics: The mention of negotiation tactics such as the „carrot and stick” approach and the „good cop, bad cop” routine reflects findings from negotiation studies. Researchers like William Ury and Roger Fisher, known for their work on principled negotiation, have explored various negotiation strategies and techniques.

- **Gender Dynamics in Negotiations:** For a long time, women were virtually excluded from international negotiations but the mention of Angela Merkel's milestone as the first woman to chair a G7 summit in 2015 touches upon gender dynamics in negotiation. Scholars like Deborah Kolb and Linda Babcock have conducted extensive research on gender differences in negotiation behaviour and outcomes.
- **Using humour in negotiations** can help to defuse tension and find common ground with the opponent. Winston Churchill is known to have frequently used humour during negotiations.
- **Body Language:** Gestures, facial expressions, and posture can all have a significant impact on international negotiations. For example, in some cultures, direct eye contact is considered a sign of aggression. Knowing the cultural factors of the countries involved in the negotiations can help avoid misunderstandings and build trust. For example, in Japan, it is customary to give gifts before negotiations begin.

CONCLUSION

International negotiations represent a crucial facet of contemporary global interactions, intricately interwoven with cultural nuances that significantly impact communication, problem-solving approaches, and overall negotiation strategies. As our world becomes increasingly interconnected through globalization, adept negotiation skills have evolved into a prerequisite for individuals navigating the realms of politics, economics, and social dynamics.

The fusion of theoretical insights with practical strategies elucidates a roadmap for negotiators to navigate the complexities of multicultural negotiations with confidence and strategic acumen. By acknowledging and accommodating cultural differences, negotiators can mitigate misunderstandings and conflicts, thereby facilitating meaningful dialogue and fostering enduring relationships in the global arena. Moreover, the synthesis of various scholarly perspectives underscores the interdisciplinary nature of negotiation studies, drawing from fields such as psychology, sociology, and gender studies to enrich our understanding of negotiation dynamics.

In essence, international negotiations serve as linchpins for fostering cooperation, resolving conflicts, and advancing peace and security on the global stage. By equipping negotiators with the requisite skills and cultural competence, we can pave the way for constructive dialogue, mutual understanding, and sustainable collaboration across borders, thereby shaping a more harmonious and interconnected world.

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