

Communication and Negotiation in the Context of International Economic Affairs



Economics

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Marius BOIȚĂ Lecturer, "Vasile Goldiș" Western University of Arad, Romania

Gheorghe GRIGORESCU PhD Economist, "Constantin Brâncuși" University of Tg. Jiu, Romania

Eduard AJTAY Economist, DGAMC Bucharest, Romania

ABSTRACT

In the international economic affairs negotiations have an important role and can be customized according to the specific of different techniques of foreign trade: export-import, leasing, franchising, auctions, trade patents, know-how etc.

Negotiation management assumes that exists a number of principles of communication and behavior, as well as some tools and working practices generally applicable, but also a set of practices that can be adapted to specific conditions and the specificity is given by the particularities of negotiators, markets, products and services, techniques of economic affairs, cultural environment, etc.

Introduction

In the conditions of the contemporary economy, that takes place at a global level, in which information travels fast, and sometimes competitors find out what the company's next move is before their employees; to look and think strategically could be considered exceeded. In order to be efficient, or at least survive, in the highly globalized contemporary economic affairs requires strategic thinking, a strategic management. It requires a management that optimizes the relationship between stability and change, promotes strategic thinking and act, that doesn't eliminate flexibility, but assumes its existence.

Content

The importance and need of communication was argued and demonstrated in numerous works devoted to this field, which has contributed to the multiplicity of definitions of communication. If we try to define communication in a manner as complete as possible, we should take into account a number of elements (Pânișoară I.O., 2003)

- Symbols, speech language;
- Understanding - receiving not sending messages;
- Reducing uncertainty;
- The Process - the entire sequence of transmission;
- Transfer, transmission - connotative motion in space;
- Connection, joining - communication as connector articulator;
- Common features - enhancing what is shared or accepted by both parties;
- Channel, carrier, route - an extension of the transfer, having as the main reference the path or vehicle;
- Memory, storage - communication leads to the accumulation of information;
- Discriminatory Reply - increased selective attunement of attention and interpretation;
- Stimulus - stress the character of the message in question, of the response or reaction;
- Purpose - emphasizes that communicative acts have a purpose;
- The time and situation of giving attention to the context of the communicative act;
- Power - communication is seen as a means of influence.

The staff of an organization spends most of the time communicating: with superiors, subordinates, colleagues from the same hierarchical level, customers, suppliers, etc. Of the time spent communicating 45% is dedicated to leasing, 9% to written communication, 16% to reading and 25% to oral communication.

In international communication the message issuer must consider the cultural particularities of the receiver if it wants the message to be exactly understood by the receiver.

A classic model of communication address it by taking into account the transmitter, receiver, message, channel of communication and expected feedback for the transmitted message. The purpose of communication is that the message should be understood by the receiver in the idea transmitted by the broadcaster. The message represents the content of the communication relationship. Especially in international communication the message should be clear, simple, not leaving space for interpretation.

From the point of view of the communication mode there are two types of cultures: high context-sensitive and low context-sensitive. (Popa I., 2002).

Context-sensitive cultures have the following characteristics:

Explicit messages, interpreted literally out of context;

Communication is direct, expressing without euphemisms the agreement or disagreement;

The communication strategy is characterized by: logical presentation, concise language, technical procedure and quantitative approach;

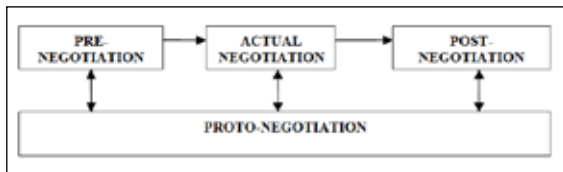
Relations between people are relatively little durable, individuals being little emotionally involved.

Therefore, Americans who come from a low context-sensitive culture, prefer the direct approach, while in China or Japan, educated in a high context-sensitive culture, this approach of problems is considered disturbing.

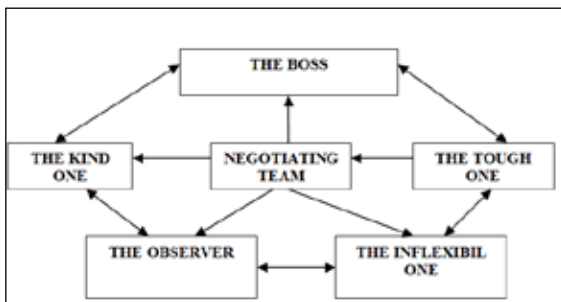
The diversity of channels and modalities of communication requires knowledge of the advantages and disadvantages offered by each of them in order to choose the one that provides optimal reception of the message transmitted. Means of communication can be divided into three categories: verbal, written and non-verbal.

The special significance of negotiation in the strategy of international economic affairs in an open economy, the border between negotiations in internal affairs and international affairs is insignificant. In the management of international economic affairs distinction is made between the big negotiation, targeting high value business with long term development, often these businesses consisting of industrial construction, logistics, etc. and small negotiation for current business employing reduced terms.

In addressing the management of negotiating we must take into account its structure on the following four stages: pre-negotiation, conducting negotiations, post-negotiation and proto-negotiation. (Puiu A., 2003).

Fig.1 Negotiation stages Source: author**Source: Done by author**

Particularly important in a negotiation is the negotiating team. Its composition determines the success or failure of negotiation. In selecting the team members will be taken into account their level of training but also: their motivation for accepting to be part of the negotiating team, character traits, personality, sex, age. Young negotiators that are at the beginning of their career in general tend to be more competitive and impose their own terms. Those with more years of experience, which are near to the end of their career, are more tolerant of the views of others. The optimal age for being part of the negotiation team varies from person to person, but for most this is between 33 and 50 years old. (Moarcas C.A., 2005).

Fig.2 Roles in the negotiating team**Source: Done by author after Popa Ioan - "Foreign trade transaction", Economică Publisher, Bucharest, 2002, page 128**

For negotiations to be successful the negotiation team must thorough prepare the negotiation process. This involves following some mandatory stages:

- preparation of macro and microeconomic studies through the collection and processing of information needed about the market and the negotiating partner - helps to the knowledge of the economic environment in which the company that their negotiate with works;
- setting their own objectives that starts from the realistic and accurate assessment of their organization, determining strengths and weaknesses, as well as of the threats and opportunities offered by the international environment. The objectives set should be realistic and respond to the questions: "What is it followed?", "What are the limits?", "What will be the consequences of failure or success?"
- prior identification of the partners objectives helps in achieving the expected results by preparing arguments, methods to combat possible objections. To prepare negotiation can be used simulation or role play. Negotiators are divided into teams trying to identify potential problems, how they can be solved, how they can counter arguments of the other party.

The choice of strategy that will be used in the negotiation is done by: position in the marketplace, product or service for which negotiation is done, relationship between the parties, culture, tradition and personality of the negotiators. For example, if the market position held by the importer is strong, of market dominance, it may adopt a waiting strategy which allows him to improve his contractual conditions; if the exporter dominates the market he can choose the fast decision strategy pressuring the importer to

decide quickly. Unequal forces between partners, given by the degree of economic development, culture, experience in negotiations, may determine the strong negotiator to use the strategy without concessions, the toughest of negotiation strategies. If there are collaboration relationships between partners, in the negotiation can be implemented the win-win strategy, integrative strategy, the parties being willing to do what is necessary so that the outcome of negotiations to be beneficial for both. This is based on mutual respect and tolerance of differences in aspirations and opinions. Knowledgeable and sophisticated negotiator, whose negotiating partner is not well prepared, can opt for the strategy of surprise hoping that in this way, he obtains a number of advantages to the detriment of his partner.

When the partner is particularly interested in the business deal, you can apply the strategy of withdrawal, according to which, in the final phase, the negotiator announced his retirement and of his team from the negotiating table, aiming at the increase to the maximum of his own advantage. It's a risky strategy, existing the possibly of losing a good business, but the measure of the assumed risk is high profit.

Thorough preparation of the negotiation involves broad information of the developments in the domestic and international market, inter-relationship between it, of the economic situation of the partners, of the motivation for these businesses, of their habits. It is necessary to know the economic and political situation, including directions and guidelines of economic and trade policy, development strategies and programs of the partner states of negotiations, of their perspectives on short, medium and long term. (Gherman L.,1999).

In the conditions of globalization, the differences of culture and negotiation styles have a clear tendency to decrease, but for now, are still very important. In the works about negotiation reference is made to a number of styles of negotiating that came mostly as a result of peculiarities related to the countries that negotiators came from. (Popa I., 2002).

The American style that dominates the literature, and is probably the most influential in the world, is characterized by exuberance, professionalism, competition, particular ability in negotiating offers, interest in the wrapping.

The German style is a strong style, if practiced by skilled negotiators his strong points are in the phase of offers presentation. The emphasis is on thorough preparation of negotiation, the systematic nature of the approach of negotiation, low flexibility and low inclination to compromise.

The French style is horizontal, with a preference for obtaining a preliminary agreement, an agreement in principle and finally the final agreement. Also is distinguished by firmness and insistence of using French in the negotiations.

The English style is less masterful compared to American one, negotiators rather being under-prepared than over-prepared, flexible, sociable, open, agreeable.

The Northern European style is characterized by reluctance, calm, capacity of exploiting creative abilities and to adopt decisions in this regard. The Finnish and Norwegians negotiators are characterized by the style described above; the Swedish being closer to the American negotiating style.

The Japanese style is distinguished by professionalism manifested as in-depth preparation of negotiations, rigor, formalism, and label. Also, rationality combines with affectivity, honor is very important, and negotiations are long.

The Mediterranean style is similar to the Mediterranean culture: warm, exuberant, but also difficulty in focusing the discussion on a particular problem or in some stages of negotiation.

The Middle Eastern style is characterized by contradictory elements: hospitality, but also the fact that revenge is more relevant.

spectable than compromise. Time has other meanings; there are frequent interruptions and delays. But also this area is increasingly influenced by the American style of negotiation.

The Chinese style is distinguished by a special focus on reputation, a good specialization and suspicion towards the Westerners.

The Latin American style has a feature in the meaning that negotiations are seen as a zero sum game in which one side wins and the other loses. Provides little information to the negotiating partners and do not trust people who they don't know.

Conclusions

The success of negotiation and business affairs is conditioned, in a considerable extent, by the quality of the negotiations which, in turn, depends crucially on the qualities of negotiators.

The power of an international negotiator is even greater as preparation for the negotiation process is done thoroughly; taking into account the characteristics of the negotiating environment and also the environment's native and acquired qualities. Thus, as in the case of international managers (besides sometimes are the same person), negotiators who engage in international affairs must possess, in addition to a high coefficient of intelligence, great memory, judgment, imagination, presence of mind, tact, enthusiasm and passion, qualities specific to negotiators of any type of business, and a number of features that are vital in international affairs, such as: impeccable moral standing, communication skills, empathy and a broad cultural horizon. Promoting strategic management at an international level also needs awareness by organizations of the fact that socially responsible actions makes their consumers loyal, increases their power and acquire a positive image in the community.

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