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THE BASICS OF DETERMINANTS OF THE NEGOTIATION PROCESS¹

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Abstract

The presence of negotiation is a constant in our lives, and according to many it represents a skill that is significant for the continuity of the negotiation process. The job of present day managers is focused on communication, and negotiation makes a great part of it. Negotiation with business associates, no matter what is the aim, the manager needs to be familiar with competitive and cooperative tactics so that he can achieve good results in negotiation. The process of negotiation is very complex and it represents one of the basic competences of successful people. The efficacy of negotiation is of exceptional importance, it has influence on business associates, achievement of the organizational goals, implementation of certain changes and excellent ideas. To the present day we need to adjust, by constant work and aspiration for progress, as well as by constant learning we can develop a progressive version of

¹ review scientific paper

negotiation process. The aim of this paper is business negotiation and its significance in present day business world.

Key words: Negotiation, communication, management, administration (management).

Introduction

Negotiations are a long process and not a current action, they are not an action that is repeated over and over again on the same basis. Negotiations represent a continual process until final conceptual solutions are reached that came out from that negotiation process. Circumstances during negotiation processes change, and as negotiation process moves forward, the negotiation subject itself gets a new form and it changes the negotiation content. Each negotiation process is unique. It is important to hint that each negotiation process needs to be guided as singled out in comparison to the previous ones. The negotiation process starts with a pre-negotiation, which represents a sequence of activities that precede formal content negotiation about a specific work, that is about business activities that should be carried out on behalf of the economic subject². In that process itself it is often said that limited resources should be divided, and that gives the negotiator a possibility to use some of the skills so that he could reach the best possible solution. The possibility of negotiation offers the opportunity that new and better solutions can be reached, so that all the interests of the negotiations participants are satisfied. Negotiation is a way in which people can cope with mutual differences³. Without negotiations we cannot solve the problems that obstruct the business, and without this action we cannot make the balance between those two companies. The important phase in the overall process is the negotiation preparation. The preparation comprises position, interests, questions the negotiation are about, as well as alternative solutions from one, and from the other negotiation side.

²Petrović P. (2007., str.48). *Tourism i business diplomacy*, PMF Novi Sad

³Harvard Business Essentials (2003). *Negotiation*, Harvard Business School Press, Boston, MA, p. xi

Negotiation is the exchange of information, and it means that all the participants should have the equal possibility to actively participate and to express their opinions. It is also of great importance to emphasize that a good negotiation strategy and tactic are extremely significant.

Elements that influence on good negotiations (kinds of negotiation)

The negotiation process is a very complex activity. Not all of the negotiations are the same. According to Stephen Cohen, „negotiation is a process in which two or more sides work together so that they could reach some mutually acceptable solution for one or more problems, such as a commercial transaction, some contract, or whatever agreement.⁴ Negotiations can be possibly defined as a conference or a discussion with the goal to reach a consensus concerning some agreement. Negotiation process is divided through phases. The first, and the most important phase of the negotiation process is negotiation process planning and preparation. The basic goal of this phase is to establish the available information and based on that to determine the desires, possibilities, and the eventual negotiation goal. By good analysis of the needs of both sides, it is easier to reach the conceptual solution that is in favor for all the negotiation sides. If one of the sides does not think the same, it is needed to have another alternative, so-called BANTA. After this first phase in which the negotiation process is prepared, another phase of the negotiation process follows it, and this phase demands a hard effort to reach an agreement. It is necessary to determine and to adjust the timetable, negotiation sides have the possibility to express their views of the current situation. As the negotiation process develops, we come to specific prepositions arguments are exposed and acceptable solutions are considered. Kennedy considers that the negotiation is an explicit, voluntarily arranged between people who want something from each other. He also says that negotiation is a process by which we find the conditions

⁴M.Gligorijević, G.Ognjanov.”Business Negotiations”, CID Faculty of Economics, Belgrade 2011.

for getting what we want from someone who wants something from us too.⁵The important fact in the negotiation process is communication. The role of communication is to contribute to better understanding and leaves the opportunity for opinion exchange. The important fact in the negotiation process. The role of communication is to contribute to better understanding and leaves the possibility for opinion exchange. Fischer's conception of negotiation is „the basic means for achieving what you want from others. That is forward-backward communication, shaped for reaching an agreement when you and the other side have some mutual interests, and some others that are opposite“. ⁶Negotiations demand active listening of the other subject, the correct interpretation of what is said is very significant, and then noticing of the nonverbal signs of the other subject.

The final instance of the negotiation is summing up the process, from which we can make a conclusion whether the negotiations are successful and on that attention should be paid in some next process.

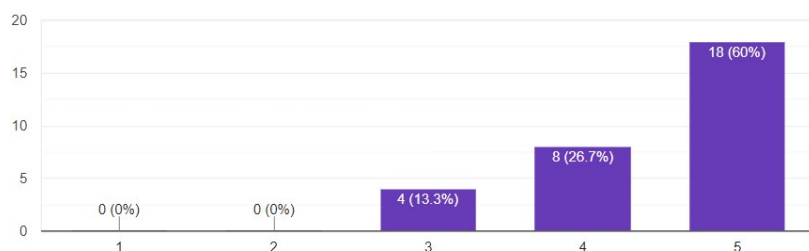
Results and Result Analysis

In this part of the paper we will show the results of a survey of examinees. On the basis of the shown survey, we can see that 13,3% of the examinees replied with the grade (good 3), 26,7% of the examinees gave the grade (very good 4) for the significance of negotiation skills, while 60% of the examinees said that negotiations skills are crucial for the process.

Chart number 1: By this percentual graphic display to the question „To what extent do you think that negotiation skills influence the positive outcome of your negotiations?“ we get the result to what extent it is significant to handle with negotiation skills.

⁵Kennedy, 2003., str.16

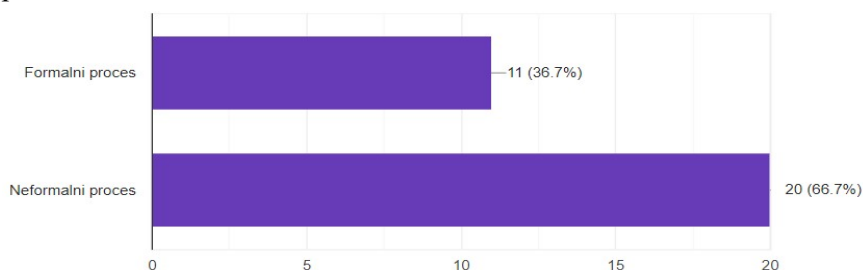
⁶Fisher, 1981., str.18



Source: The author on the results of the survey

It is important to emphasise that we can organise negotiations process in a formal and informal way. Based on that, we can show the result of the survey and the attitude of the examinees.

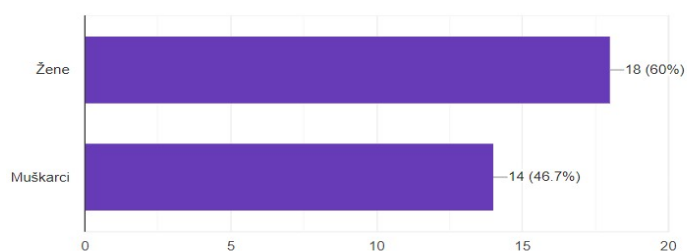
Chart number 2: The result of the survey shows that informal way is more productive in the negotiation process. Based on the answer to the question, „According to your opinion, are more successful negotiations reached during formal or informal negotiation process?“ 36,7% of the examinees sees the negotiation process as a formal way, while 66,7% of the examinees think that successfulness of negotiations is reflected in the informal way of the negotiation process.



Formal/ informal process

Source: The author on the results of the survey

Chart number 3: Result of the test of the gender structure. To the question „Who is more successful in the negotiation process“, the group of the examinees express their attitude with an answer that is shown in a



percentual graphic chart. By this, the result shows that gender has a significant influence in the negotiation process between two subjects.

Women

Men

Source: The author on the results of the survey

Chart number 4: Age structure of the examinees

Age structure of the examinees is shown who have a positive attitude towards the negotiations significance. As we can see, the biggest significance of the negotiation process belongs to the examinees of the age group between 20-30 years, whose participation is 66,7% in total.

The Conclusion

The conclusion that I came to is that negotiation becomes more and more important and that is a way for finding solutions to problems or conflicts in business environment. Negotiation means to look for an agreement via dialogues or to find a way to solve a problem that is significant for both negotiation sides. The most important factors that determine this negotiation style are personality of the negotiator, gender and the corporative culture that he represents. One of the factors that also affect the negotiation outcome is a preparation that is the basic factor of the negotiation process. If we have enough time for the preparation, we will be more self-confident during the process itself. The preparation for negotiations does not only mean an appropriate choice of strategy and tactic, but also the negotiator has to have all the necessary information concerning the subject that is being negotiated. Negotiation are key to success in the modern day business world. The goal of this paper is to prove that negotiation process is a key to success and company's progress that it is confirmed through analysis of theoretical attitudes and through conducted surveys. On the basis of everything we can make a conclusion

that without an appropriate negotiation process there is no good result and no long-term company's success.

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