

# DETERMINATION OF THE TIME AND QUALITY FRAME OF THE BUSSINES NEGOTIATION PROCESS AND ITS INTERNAL STRUCTURE

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## INTRODUCTION

Speaking about (bussines) negotiations, actually we speak about imminent relation between co-workers, partners, costumers of goods and services in different enterprises, organizations, companies. That is to say we speak about a type of communication which can be applied very successfully, can be planed, pointed and practiced. Here, the same as the business communication, the matter is the business traffic of information which is exchanged, only for one reason, for setting a mutual agreement. The everyday contacts with employees, costumers, providers, authorities, competition, transporters, most frequently gain the shape of formal or informal transaction, negotiation, which as a form of communication is of crucial meaning in the business world.

It is the determination of the factors-determinants the crucial moment from which the successful negotiation depends; characteristics which means a lot and which guide us to the cooperation and successful deal are the true challenge set up in front of this science research work. This work is a trial to establish order in the variety chaotic experiential knowledge and unfinished science elemental explorations and assumptions; also to open a field of further explorations about the problem of negotiation in Macedonia.

## STRUCTURE OF THE WORK

This work is divided on two parts (theoretic and researching). In the firs theoretic part, reflections of many well known authors are elaborated about the psychology, sociology, communicology, whose suggestions could be connected correctly and entaerly to the contemporary conception, understandings and envisagement about some issues of negotiation. While in the second, researching part there is presentation, analysis and interpretation of the results of the conducted polls and actual records (of real-time negotiation situations) realized in several towns in Macedonia (Bitola, Kumanovo, Strumica, Veles, Skopje, Tetovo, Demir Hisar, Krushevo, Kavadarci and Shtip) performed by **130** bussines examinees, who acts in the condition of transformation of the overall relations and restructuring of the capital.

## ISSUE AND OBJECT OF THE RESEARCH

*The issue* of the research is focused on the issue of influence of the situation factors over the quality of the negotiation process. Such determination of the problem, emphasize the predominantly explorative character of this work. (How do the situation factors impact their influence? Which are the main characteristics of that relation?) Thus, considering the current science knowledge regarding the nature of the so-called “situation factors” a necessity was urge for its specification through several levels and sub-problems which are treated by

exploration: 1) *Problem of classification nature*, actually whether or not the determination variables of the negotiation process could be established that are enough “strong” on their own to have their influence in all situations of the negotiation and to be separated from the others? 2.) *Problem of exploration nature*, actually what is the interaction between the situation and other factors in the real-time negotiation situations? and, 3.) *Problem of descriptive nature*, related to the profiles of the average negotiator in Macedonia, regarding the determined aspects of negotiation.

*The object* of the research is pointed toward the review of the mutual dependence between internal psychical personal factors (trustiness, collaboration, level of frustration tolerance, possessed potency) and external variables (kind and character of the activity), which are treated as possible determinants of the preferable mode of behavior due to the fact that in their mutual interaction they have their strong impact over the quality of negotiation from the aspect of the climate, approach and time of negotiation.

## RELEVANCE AND SCIENTIFIC JUSTIFICATION OF THE RESEARCH

Today, world wide, there is a huge amount of material, experiences, models, patterns, rules and acts about the negotiation. Many schools were popularized; many methods and approaches were offered as the best ones. Many seminars, courses and trainings were organized allocated for various structures of individuals as well as groups who were trained for such activity. Numerous handbooks, brochures, books were published as a groundwork for additional systematization in the direction of theoretical and scientific comprehending of the problem. At the same time, the literature do not appoint exactly the precise data and time frames, but also it is said that in the western countries “since earlier times” there are certain forms of organized training and qualification of the businessmen, who gain their knowledge about business communication and negotiation through the intense courses. However, as a time of beginning the year of 1924 is mentioned, when the author Mary Parker Hayward writes about so called “integrative negotiation”.

On the Balkan (former Yugoslavia) what is considered to be a successful and a very first trial of theoretical and practical application of the issue of business negotiation, is the work of Predrag Michic “*How to guide the business conversation*” published in 1980. In Macedonia, this issue was vividly initiated after the independence in 1991, actually after the implementation of the parliamentary democracy and market economy. However, the former academic treatment of the negotiation, as an object of a scientific interest is not satisfactory. It is worth to mention that the number of published titles about this issue comparing to those in the neighboring countries is negligible small. Namely, in Macedonia only a few books about the business negotiation were published, among which most of them were translations. Only the work of Arsovska T. (1995) “*How to perform successful business conversation*” presents a humble primary trial, which could only partially be called “originally author work”.

On the contrary, the facts about the global connection, the existence of huge data banks, limitless time and space opportunities speaks about the fact that the business world penetrates deeply into all spheres of business existence thus emanating its resources of influence. Thus, the awareness that the successful business functioning is one of the key factors for the enhancement of the overall relation of the social and business life, is the great fact that must be accepted. In that context, the negotiation truly may be only a small cause in those relations, but it is very essential one. Its dynamic, development, achieved results will have a great influence over the subsequent endeavor in any business sector.

That is the reason why all our efforts devoted to the establishment of the science research goals of negotiation (such as examination and amendment of the knowledge about determination of the negotiation, examination of the approaching methods and enrichment of the research instruments, elusion of practical solutions and instructions needed for business

practice and negotiation trainings) seems to be quite actual and justified. Those efforts and trials offered many answers about some very important issues in this sphere (such as the average time frame of the negotiation in Republic of Macedonia, the quantity of theoretic knowledge about the negotiation possessed by businessman, the awareness about the importance of this issue, the attitude on research of this issue, the mean profile of the negotiators in Macedonia etc.).

## RESEARCH HYPOTHETICAL FRAME

The general postulate is set affirmatively saying that: *There are certain external (environmental) and internal (personal) factors, that posses equal level of prognostic and determination power over the quality of negotiation process, in any conditions and situations of negotiation. Comprehension and understanding these factors results in improvement of t he quality of negotiation thus reducing the time of negotiation. In essence, the kind and the character of the branch of the organization on behalf which is the negotiation conducted, the level of management, as well as the elements of the latent maturity of negotiators, are the key determinants of that process.* This postulate is aged through the level of three additional and eight individual hypotheses which directly lead to the current indicators.

## METHOD APPROACH

In the course of exploration of the problem of our research, primarily we start by theoretical analysis of the knowledge of this issue, offered by the scientists performed by two different approaches. Namely, in the domain of negotiation following explorations are evident: 1.) Explorations generated by analysis of profiles, conclusions and acts of previously distinguished managers, systematized personal experiences and 2.) Classical experiments, psycho-metrical and other tests in aim of evaluation of the relations between established variables. The first approach is distinctive for various profiles of practitioners (solicitors, lawyers, engineers) who have systematized their negotiation knowledge and personal experiences thus offering them as original models, manners and schools. While the second approach is notable in the work of sociologists, sociology psychologists, management theorists who performed direct exploration of negotiation, or indirectly have made their conclusion based on the investigation of other problems and aspects of negotiation (Deutsch and Krauss; Chertkoff & Conley; Baron; Hofstade and Crozier).

The research is based on analytical-descriptive methodology, which goal is to select the relevant perceptions about the interpersonal relations, present in the negotiation process, and by the application of t he adequate statistical acts and conclusions will answer the foreseen questions of the research. Also, during the determination of the interaction between the different kind of variables (like personal touch, environment elements, and interaction conditions) the most applicable proceeding is the immediate exploration of the events recorded during the real-time negotiations. It meant that the classical analytical descriptive exploration is enriched by the case study.

By at all, the exploration primarily gain operative character, which regarding the time it is allocated to immediate event research of the actual, real, transitional period of living and acting.

The implemented *techniques of exploration* are as following, a scale poll questionnaire, evaluation technique and especially the technique of systematic observation set as case study. The *poll questionnaire* evaluated the essential basic indicators and facts about interpersonal characteristics of the individuals relevant for this research. The graduation of the

examinee answers (given in the questionnaire form) was performed by the *scale evaluation*, and graduation was described from extremely satisfying to unsatisfying regarding the knowledge about some distinctive elements of negotiation process and their relation to it. At the end, the **case study** enable us (on the basis of certain positions) impartial observing, confirmation and description of various specific and relevant information occurred in a concrete negotiation process - a specific situation. Worth to mention are the appropriately organized individual meetings with interested individuals, as well as a seminar where the following methods were performed: a method of teaching, a presentation technique, playing games, a video projection etc.

## CONCLUSIVE ANTICIPATIONS

1. This research is allocated to detect and to classify the relevant determinants of negotiation, with a special accent put on the so called – environment (situation) factors. At that point, (on the contrary of the anticipations that speaks about it as an “intangible phenomena of the twilight zone”) the research starts with an attitude that the negotiation is a widespread social presence, noted in many kinds of social relations, and it may and should be explored. The fact that a huge number of theoretic concepts were separated did not contribute to the foundation of some eclectic theory of negotiation, on the contrary it serves as a base ground of our own approach to the treatment of this problem.

2. The general hypothesis, about the influence of the inter-psychical and environment factors over the negotiation process is not yet confirmed (the three particular hypothesis are only partially confirmed), the only confirmed influence is that of **the degree of frustration tolerance over the negotiation time** ( which belongs to the group of the inter-psychical variables) **and the influence of the type of ownership and branch of activities over the depended collaboration and formality** (which belongs to the external-environment variables). To what this is own to? Reasons are found in the confirmations and notes of the representatives of so called “social revolution”. Namely, the negotiation as a social situation, mostly depends of the interaction between the particular personal touches of the negotiators and the external situation conditions, which create the so called “negotiation context” (particular and unique for each new situation). There is a great probability that exactly those anticipations contribute this phenomenon to be declared as “intangible”. Although, we think that the solution of this problem is offered by the above mentioned anticipations (like the theory of the games, concepts of correlation). Thus, if the determinants (a degree of frustration, type of ownership and branch, and probably others) which are “strong” enough to influent any negotiation situations are to be separated, than the third group of interaction determinants the best could be understand and explained by the abovementioned theoretic concepts. Actually, this is the essential concept of the authors who deal with the situation determination of the interactive context of dyads (E. Bern; C. Stayner; T. Mandic).

3. The variables, which appear to be important determinants of the negotiation process, are the first to indicate the ownership. Its influence over the quality of negotiation is statistically confirmed regarding the aspects of: **basic attitude** (collaboration-competition), **basic approach** (formal-informal). By at all, certainly we can declare that the: **Private company owners are more cooperative and they prefer formal approach**. This information probably emerges from the essential needs for persistence and development of the company which is “on his own”. This speaks about the expected and justified choice (when the private company owner claim that they are always responsive for cooperation, treaty, understanding,

making compromises which guarantee existence and development). His manner of vivid cooperation, as a personal feature, is more needed to him than to those who work in a public sector, who, regarding to the type of ownership of the capital, is less motivated for maximum forcing and observance to the principles of “cooperation”. As a matter of fact, this is confirmed by the comments of those who worked in a “civil service” before they start their own private business. Equation with their own business is very common among all examinees included in the research from the private sector, which is not the case with those from the public sector. On the other side, the tendencies of ultimate exchange between the personal and social interests of the company most commonly is declared in public and commented among those examinees who work in “civil service” but they possess their own private business.

As the same, the private company owners prefer the formal approach (which can be noted at the undersigning of the documents, asking for verification, confirmation, facts, accurate data, arguments etc) which provide them an appropriate protection and which guarantee trustworthiness during the appearance and during making decisions. The principle of “short reckonings make long friends” is expectably more preferred when it comes for the negotiation of common interest, although probably there is a space also for the “private” interests, on the contrary of that with many issues being left as “open question” (which means undefined stipulations).

The *type of work (operation)* is variable which has a strong impact over the negotiation. But on the contrary to the type of ownership, the type of working operative has the immediate influence over the time of negotiation, but it does not have any influence over the basic attitude and the approach. Namely, the estimated values show that the attitude and the approach during the negotiation among *traders as well as among service providers is very similar, but they have different “time duration”*. The explanation of this involves two probable reasons: 1) the “longer time of negotiation” probably neither they neither the level of origin in their experience and skill gained by their everyday practice to haggle, bargaining, shopping, sale and 2) the different type of goods (item of trade) urge different time for negotiation because many questions are to be answered about its quality, price, conditions stipulations off payment, stipulations of refuse goods, servicing and guaranties, transport etc. *Service providers* on the average spend less time for negotiation (on the average of 1 hour) because they have less issues to negotiate about and the price is already determined and it is not varying so often because it is not depended of the market.

4. When we speak about personal variables, as of only significance is the *level of tolerance of frustration* which has immediate impact over the negotiation time. There are no statistical data of exclusive importance about others conjectural relations that will point out their connection. Thus, *the cooperation and the confidence as features of latent maturity in their exclusiveness do not have any kind of impact and influence over the negotiation. Neither they neither the level of wield legitimate power*. But this stands quite on the contrary relating to the above mentioned researches. Why is it so? The reason is very simple, namely, the power presents the functional relation between the carrier of the power and dependent of power. Actually, the essence of this relation is the equilibrium, but it is not enough “power” to produce action in any type of negotiations (the examinees are very aware about this – “it depends who I am negotiation to and about what”). So the power could be observed only as a personal variable which has different impact in different situations. In fact, this is quite amenable to the defining of the power as a function, correlation of power on the one side and the dependence of that power on the other side (Blau).

The cooperation and the confidence have the same relations. Namely, *the cooperation and the confidence – as personal features (observed separately) show no influence over the quality of negotiation*. The influence of those personal features rise and decline depend on the specific situations. How to describe this obvious

contradictory?! The explanation emerges from the essence of the interaction communication relation and its complexity (Rogers; Bern, Janakov; Beshka; Mandic). **Thus, the quality of communication depends of the perception of the partner, but also depends on the concordance of the initiator.** This means that in a very sensible sphere of social interaction, as the negotiation is, out cooperation and confidence always could be percept and accepted differently by the partner, which again speaks that “it depend on to whom, when and how” But this is not the case with the **level of tolerance of frustration**. It is well known that it has no influence over the basic attitude (cooperation-competition) nor over the basic approach (formal-informal), but it does certainly has influence over the negotiation time in every situation of negotiation, which as a data is explained by the essential characteristics of this issue and its physiological pose regarding the reactions and manifestations (gestures) which emerge from the frustrations.

5. The question is: Could the distinctive situations of negotiation be determined that would be separated as a representative types? The case study enables this. According to the distinctive interaction characteristics those cases were grouped in several groups as following: 1) negotiation with unknown partner, 2) negotiation with well known partner with lost credibility 3) negotiation with well known partner with good cooperation. The very first one we called initiative, the second one culminative and the last we called negotiable (This division point to Blau theory). The last group was entitled as “negotiable” regarding his considerations that “the negotiation is possible even in conditions of power absence, which do not means weakness, but means that the relation is constructed over other postulates”. And probably this is the confidence, which according to the author, but also the practice confirm it as well, is the most wanted tool for bringing up some new solutions. Many authors suggests some new models in which the main accent is put on the issue of **re-formulation** of the positions of observing of the negotiation process as a problem that urge mutual creative solution, actually that need the answer of the question **how to...?!** So, that is the key moment and key step for successful negotiation. That is the moment when the both sides are brought in one so called “**situation of alert**” (through various variety of “**culmination situation**” in which the power is the strongest tool) when they start to search for the most acceptable solution.

6. From the above mentioned, in a context of the methodology goal of the research, it comes that the theoretical models in which the moment of “**re-formulation**” is accented, as a separate step, phase seems to be more acceptable and superior (Rayder, Koleman, Mandic). Speaking about the approach of observing, analyzing and exploration of the negotiation the most impressive is the approach represented by **transaction analysis**. Here we notice a maximum simplifying of the understanding about the mutual relations between two or more individuals catch in the act of negotiation. The analysis of the transactions which “**comes one after another**” during the time of negotiation, amended by the knowledge about the “games” which occur in the business world, offer a different kind of opportunity for scientific treatment of this problem.

This certainly do not comprehend psychologing the business operation, but yet it calls for acceptance of the obvious facts that, when we speak about the analyzing the external manifestations, in no circumstance is not allowed to neglect it connection to the elements which create the “**man at whole**”. That is the reason why we are closely related to those authors who especially emphasizes the science about mankind (Cicourel), rather than those who classified this problem as an “**intangible phenomenon**”, that anyone can “juggle” with. The fact about existence of a lot more schools, branches, seminars, trainings for negotiators, comparing to the number of relevant scientific research of this sphere speaks about the inadequate approach to the observing of this problem.

We do hope that the previous allocations about the distinctive character and interdisciplinary feature of the phenomenon of negotiation, will reach those who in R.

Macedonia have intention legally to protect the exclusiveness to practice this skill (negotiation-meditation in judicature). They should understand and accept the essential differences between the above mentioned approaches. Namely, practicing activities that should stand for the act of negotiation, meditation are open for everyone, but the exclusiveness of their scientific treatment belongs to the science about the man, whose superior behavior regarding his acts and tolls were elaborated several times in this research.

7. The profile of the average negotiator in Macedonia points out that the differences between various negotiators, coming from various hierarchy lever, different types of ownerships and business operation has ***no statistical significance and mainly they stand neutral***. Only several concession toward extremes were noticed considering the issue of ***need of training and emotional attitude toward negotiation***. By at all, the average Macedonian negotiator prefers individual negotiation, where the decision sphere is accepted as an exclusive act and business secret. He do not accept to much risk, nor he takes any immediate steps during the negotiations. He has only modest knowledge about this process, but he is not always aware about that. In fact he appreciate this activity as a key one and he is always ready to edify himself. According to him, the key determinants of the negotiation are the partner and the problem of negotiation.

Regarding the above mentioned variables the only issue about the decision risk is seriously elaborated (Stoner, Kogan & Wallach, Miller, Moscovici & Zavalloni, De Goulleu). From the entire theoretic argue (regarding the various aspects of risking issue) following conclusions are of great importance: 1) the level of risking is in correlation to value system and the culture of the individual who make decisions; 2) the risk is greater when the decision is brought by the group. That attitude could represent the base for status determination of the average Macedonian negotiator, regarding his relation to the negotiators from various social milieus.

Unfortunately, we do not know about the results of such serious researches conducted in our country. Beside, maybe the researches about the motives for reaching the goal (Lazarevic, Havelka; T. Nikolovski), which is pointed as an important determinant for allocating and reaching the goals. The above mentioned authors noticed ***unsatisfying low level of existence of such motive in our country***, which could probably be connected to influence of some characteristics of the previous social system (anti-entrepreneurship, contract economy, phobia from the private ownership, tendency of averaging, lack of initiation), as well as to the influence of some traditional values. Observing several popular says like “Do not separate yourself”, “Golden middle”, Measure twice cut just once”, Humble head suffer no sword” indicate that our value system always forced the “modesty and balance” which makes us different from the societies in which the competition and risks are systematically enforced (even in education process). Probably, the new social system that is promoted, in which the individuality, free competition, team work and entrepreneurship are part of the instrumental values will contribute to consciousness change and their greater acceptance.

8. At the end, we can conclude that the majority of the appointed goals of this science work were achieved. Emphasizing of the influence of situation factors as key determinants of different social relations is quite justified, although when we speak about negotiation the key factors of influence should be searched among the mutual interaction between situation factors and some personal feature of behavior.

It is worth to mention that as a special contribute to this science work we emphasize: 1) Detection of several so called “strong” determinants of negotiation; 2) Establishment and constitution of the three types of negotiation situations and 3) Preparation of the new instrument “The Protocol of recording the negotiation process”.

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