

VILNIUS GEDIMINAS TECHNICAL UNIVERSITY

Kęstutis Peleckis

**BUSINESS NEGOTIATIONS:
COMMUNICATION
IN BARGAINING PROCESS**

Monograph



CreateSpace
North Charleston, USA
2016

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This monograph provides a holistic discussion and analysis of what the author holds as the most important theoretical issues of communication in the bargaining process, describes factors of communication efficiency and the principles of effective communication. It also widely covers rhetorical argumentation, convincing and strategic orientation of communication. This study also discusses the issues of building confidence in the bargaining process and how to identify and neutralize the opponent's remarks and possible manipulations. Also, the book provides the basics of reading and managing body language.

The monograph is intended for academic staff, working in the field of social sciences and humanities, researching the issues of improving business negotiations and organising business meetings, also for management and administration specialists, as well as representatives of various general segments of the society. The book may be used for various management-related university studies in shaping students' negotiating competencies, as well as solving many practical questions of organising and improving business negotiations.

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Reviewers:

Prof. Dr. Manuela Tvaronavičienė, Vilnius Gediminas technical university, Lithuania

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Assoc. Prof. Dr. Zlatko Nedelko, University of Maribor, Slovenia

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INTRODUCTION

Business involves negotiations all the time: making purchase and sale agreements (contracts), employing and dismissing employees and dealing with a variety of other situations. Business meetings or negotiations can be easy or tense and you may be able to negotiate or deal with particular problems easily or fail altogether. The success of business meetings and negotiations depends on communication efficiency, understanding the psychology of the other person or negotiating partner and the interests of the organization he or she is representing. To do this well, one needs to assimilate the basics of communication, be able to read verbal and non-verbal communication signs and expressions, as well as to have a system to prepare for interviews and negotiations to be able to provide and receive information to substantiate one's positions, respond to comments and neutralize them, also, understand and resist manipulations and to know how to complete the negotiations appropriately.

Business negotiations are a complex multi-dimensional and multi-faceted process, which combines different and conflicting interests of the negotiating parties. It means that negotiators have to know how to find a compromise, which meets their goals and interests best. For this purpose the negotiating parties must know how to seek for alternative solutions, evaluate them, compare them with each other and select the best option, acceptable for both sides. Therefore, they must manage the process of negotiating, prepare for the negotiations as a process of finding solutions, as well as be able to choose the most effective negotiating strategies and tactical marketing steps to plan the negotiation phases and stages.

On the other hand, negotiations are a process, which involves the participation and communication of the negotiating parties. From this point of view, the effectiveness of negotiation depends on what information about each of the parties is available and produced during the bargaining process, how well the parties understand each other and each other's motives, as well as how they make proposals, arguments and convince the other side.

Bargaining is a potentially conflicting process. Therefore, the negotiator must have an arsenal of measures to prevent the conflict from escalating, and, in case that has already happened, he must find a way out of this situation and resolve the conflict by focusing on the long-term relationship with the negotiating partner.

In turn, business negotiations and business meetings are an interaction of personalities. This interaction may be cooperative or hostile. You can define the rules of the game by yourself, or you can play along the conditions given by the other side. A good negotiator must know how to resist the influence and manipulation, how to argue and defend their proposals, resist pressure and turn his opponent into a partner, in order to move from fighting to cooperation.

The forms and channels of communication in this century have been evolving very rapidly, and the economic and all other life crises require to speed up the development of new means of communication and technology. However, the eye-to-eye business negotiations continue to be very relevant. The most important and deciding agreements will always be made at face-to-face meetings. An interview is one of the best and most acceptable ways to convince your audience of the validity of your point and make them agree with you, support you and even adopt your position.

The more communication tools we know, the more we are taken aback (often too late), when our words do not reach the target. Moreover, the words which we say to our negotiating partners do not always mean the same for them, as they do for us. All the more not everybody have the talent of public speech, which ignites people's hearts and awakens their thoughts. We know the theory on how to strengthen our words, the effect of the use of words and how to manage the body language, gestures and facial expressions, but how do we make sure that we don't get lost in business communication and ultimately achieve our personal or organizational goals?

Many business executives and professionals state, that the key to success in the bargaining process is effective communication and business negotiations skills.

The situation of an important meeting, when everything — words, gestures, facial expressions, environment, clothing, posture — counts is most likely very familiar to many. Effective control of these aspects as a whole can determine the success of our image.

The art of business negotiations includes different skills: communication, rhetoric, psychology, ethics, management, economics, etc. Combining this knowledge opens better communication possibilities and language options to reveal much more than is actually said and observed in the environment. This doesn't require any significant discoveries. Knowing the basics of bargaining, the impact of communication elements and being able to apply this in practice is well worth it.

This monograph consists of nine coherent chapters and aims to analyse the most important aspects of communication in the bargaining process.

Chapter 1 defines business communication and negotiating parties, trying to convince each other of the validity of their views and positions. This purpose involves using a variety of measures, from scientifically-approved principles and logic diagrams to various appeals, speculations and sophistries. Persuasiveness is a very important competence of the negotiator. Nothing can replace the suggestibility of a spoken word. Only direct communication, negotiations, providing proof, arguments and counter-arguments enable the contorting negotiators to move quickly towards the overall objective of the agreement. The purpose of persuasion is to change the opponent's behaviour.

Chapter 2 examines the methods of establishing the negotiators' position. Business negotiations involve at least two sides seeking for a common goal and understanding. In one way or the other, each negotiator has to justify their position and convince their opponent. Although communication forms and channels in this century have been evolving very rapidly, eye-to-eye conversations and immediate negotiations don't lose their positions. The most important negotiating agreements and going face-to-face will remain as relevant in the future as they are now. An interview is one of the best ways to convince the audience to take your position and make them agree

with you. This purpose involves using such methods of establishing the negotiator's position as providing proof, argumentation, manipulation, bluffing, persuasion and suggestion.

Chapter 3 deals with the issues of rhetorical effect to the other negotiating party. It emphasizes persuasive speech as a very important competence, as nothing can change negotiator's live speech. Only direct negotiations, providing evidence, arguments, counter-arguments and controversy can enable negotiators to quickly move forward to the overall objective of the agreement. Even with well-developed modern means of communication, the Internet and electronic negotiation support systems, negotiators still travel to another part of the world to engage in direct negotiations. During a live bargaining process the negotiator demonstrates himself, his appearance, mind, manners, emotions, knowledge of the etiquette and ethics, voice characteristics, gestures, movements, facial expressions, reactions and other ways of communication. The use of rhetorical tools in the bargaining process and the success of staying in contact with the other negotiating party are both important factors for effective negotiations. Where the classical rhetoric focuses on how to convince the other party, the modern rhetoric puts more emphasis on dialogue, interaction between the speakers and harmonising relations.

Chapter 4 argues that making a strategic plan of the negotiating speech should involve focusing on avoiding coincidences and choosing the most appropriate means to achieve its objective. Implementation of the strategic focus is related to each aspect of the speech. Negotiating, in other words, is public speaking in negotiations — a strategic process, which includes understanding the circumstances, deliberate behaviour and planning on how to achieve your goals. During the time of negotiations negotiators create something together and have their thoughts, opinions, attitudes and values tested, adapted and developed through interaction. Different negotiators may have significantly different cultural approaches. Some negotiators may perceive some things and facts as more important or more significant than others and this attitude will determine how they will interpret and understand the statements that they hear.

Chapter 5 aims to analyse the phenomenon of self-presentation in business negotiations — a behavioural mode, which is used in public business surroundings to achieve an agreement and avoid repudiation by focusing on universally adapted norms and other people's expectations. The chapter describes the main self-presentation strategies, used in business meetings and negotiations. The motivation of self-presentation develops under public situations, because people are likely to take interests in people in order to find out their opinions on others. Therefore, a person realizing himself as a social object tries to perceive and see himself from the point of view of the others. Accordingly, presenting himself in business meetings and negotiations, he tries to make himself acceptable and valuable, doing that in such a way, that when forming other people's impressions on himself and achieving specific business results, he could reaffirm his own identity. This chapter broadens the understanding of self-presentation, which influences both a person's identity and his state in business interaction. There are three groups of factors determining the choice of self-presentation: individual personal factors, inter-individual factors and situational (depending on social environment) factors, which may be conditionally attributed to external factors. All these factors are closely interconnected and not only interact during the presentation, but also help to make the decision on what forms of behaviour are the most suitable for developing such an image, i.e. they help to select self-presentation strategies. It is also important to take into account some outside situational factors and the existing social norms, which could influence the presentation planning and performance.

Chapter 6 deals with the problems of building trust in business negotiations. It analyses, what can interfere with trust, as well as related stereotypes and substitutes. At the beginning of business negotiations the negotiators are trying to decipher and understand their opponents according to their external image. The impression formed by the appearance of the negotiating partner is of great importance. First of all, knowing one's opponent helps the negotiator to improve, because he improves his cognitive powers. On the other hand, cogni-

tive accuracy and disclosure of the internal essence of the negotiating partner determines the course of the business meeting and the future results of the business negotiations. Opinions formed in advance can have a strong influence on understanding the opponent or interlocutor. They determine how information will be accepted and interpreted. Confidence has a positive effect on the relations in a group of negotiating organisation representatives and relations between the negotiating parties. It liberates and mobilizes the actions of the negotiator, encourages creative and innovative activity with other people, reduces uncertainty and risk, as well as increases possible opportunities for action. Trust is necessary in order to feel whether the negotiating partner or interlocutor is inclined to betray, also to harmonize and plan cooperation, as well as ensure intentional venture and safe communication.

Chapter 7 discusses the issues of identifying and neutralizing opponents' remarks and contradictions in business negotiations. During business negotiations both sides try to convince each other of the validity and veracity of their views and positions. This purpose involves using various measures, from logical evidence, arguments, replies, comments, contradictions or various schemes to appeals, speculations, sophistries and manipulations. Reasoning in business negotiations is using certain statements and evidence in order to attempt to convince the participant or the opponent to change their position or beliefs, taking the position of the other negotiating party. Comments, objections and remarks are a natural part of business negotiations and indicate that the opponent is listening and responding to the opinion and proposals made by the other negotiating party. And business negotiations rarely go by without any opponents' comments, contradictions and doubts. This reality cannot be avoided — on the contrary: these contradictions do not stop the discussion and may be useful, as they help to find out at least some of the doubts of the other negotiating party, ultimately helping to convince them. This chapter describes possible types of remarks and contradictions, providing an analysis of their reasons and origins, as well as methods and techniques to neutralise them.

Chapter 8 discusses the issues of how to recognize, identify and neutralize manipulation. During negotiations the negotiating parties are trying to convince each other that their views and positions are the correct ones. To achieve this they use various measures — from logical proof, arguments and various schemes to appeals, speculation, sophistry and manipulations. Reasoning in negotiations means using certain statements and evidence in an attempt to convince the opponent to change their positions or beliefs and adopt the position of the other negotiating party. Being able to distinguish between serious evidence and attempts to manipulate in a bargaining process is crucial. This chapter describes the concept of manipulation, analyses its reasons and provides ways how to identify it.

Chapter 9 examines the importance of being able to read body language signals in business negotiations. Observing physical body changes and gestures can lead to a more or less realistic impression about the opponent, his feelings, mood, thoughts, expectations, intentions and their changes. The most important aspects of non-verbal body language are: posture, clothing, accessories, gestures, eye contact, facial expressions, smile, voice tone, laughter, eye contact, eye signs, the distance between the participants of the conversation, touch, clap, dance, and physiological response — sweating palms or forehead, paleness, acute facial or neck redness, etc. Some of the non-verbal communication signs, or, in other words, body language signals are conscious (either natural or pretended), while others are communicated to the environment unintentionally, with immediate, instant and instinctive response to received information without any thinking. Body language signals in business negotiations are important in several aspects:

- They reveal the other person's or the opponent's physical and emotional state as well as its change;

- They complement, reinforce or weaken the spoken words;

- They enable those, who can read non-verbal communication signs, to determine, whether what was said is true, more or less accurately.



ABOUT THE AUTHOR

Kęstutis Peleckis is a professor of economics at Vilnius Gediminas Technical University (Lithuania). He was born in 1955. In 1978 he graduated from Kaunas University of Technology (with merit) and gained a Master's degree as an Engineer Economist. In 1984 he successfully defended his doctoral thesis in Economics at the Leningrad Institute of Engineering and Economics.

1978-1986 Inspector and senior economist at the Ministry of High Education of Lithuania.

1986-1988 Senior research fellow at the Institute of Economy at the Lithuanian Academy of Sciences.

1988-1991 Associated Professor, Head of the Department of Science and Technical Progress at the Management Academy of Lithuania.

1991-2007 Private business organisation (President of the Company "Inovacija", CEO of the Inova joint Lithuanian-Hungarian company "Inova").

2007-2013 Associate Professor of Economics at Vilnius Gediminas Technical University.

As of 2013 Professor of Economics at Vilnius Gediminas Technical University.

Kęstutis Peleckis has published more than 100 academic articles, two coursebooks (Peleckis, K., Mažeikienė, A.; Peleckienė, V., Peleckis, K. 2016. Business Communication and Negotiations. Coursebook. Vilnius: Technika, 428 p.; Mažeikienė, A.; Peleckis, K. 2011. Business Negotiations. Coursebook. Vilnius: Technika, 368 p.), 5 handbooks (Paunksnienė, J.; Antanavičienė, J.G.; Peleckis, K. 2011. The Basics of Business. Handbook. Vilnius: Technika, 184 p.; and others).

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