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# ROLE AND IMPORTANCE OF NEGOTIATIONS IN AN INTERNATIONAL BUSINESS ENVIRONMENT

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## Abstract

The communication process plays a major role for the business and is determined by the various aspects of the business environment. The business environment is the professional development environment. The best and most profitable formula for the good management of any company is the ability of its employees to communicate effectively with external and internal audiences - colleagues, customers and consumers. For successful foreign trade it is absolutely necessary to be fluent in one of the official languages of the country - partner, to know the rules for written communication, to study the specific national, cultural and other peculiarities of the foreign contractors. Therefore, when negotiating with representatives of companies from the domestic, as well as the international market, it would be important to pay attention to the preparation of the negotiations.

## Keywords

Communication – Negotiations – International business environment – Cross-cultural differences

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PH. D. LYUBOV IVANOVA

## Introducción

This report highlights the role of language and communication skills in the business environment. Details, specifities and rules to be followed are further emphasized when negotiating between representatives of companies in which the language of negotiation is not the mother tongue, with partners, representatives of different nationalities.

In his daily life, every person constantly communicates and communicates with different people. This especially concerns those involved in business, who seek to enter into negotiations with the aim of exchanging resources, buying and selling, willingness to invest. For that purpose, in the negotiation process, they meet with different partners, encounter different characters, with competitive opinions, with a choice of partners, strategies and more. The successful negotiations can be a good prerequisite for the future development of the companies. In this connection, the importance of doing business is "the opportunity to realize innovations. With their help, the companies are able to develop new products, meet consumer needs, win better market positions"<sup>1</sup>. They are required to possess various skills for effective communication, to master and unravel non-verbal signals and efficient negotiation methods. Successful negotiation methods are based on different criteria:

- 1. They must contribute to the conclusion of a prudent agreement
- 2. To act efficiently
- 3. To contribute to improving relations between the negotiating parties.

The communication process plays a major role for the business and is determined by the various aspects of the business environment. The business environment is the professional environment for development, as well as for developing corporate responsibility. It is also important for protecting the business competitiveness. The best and most profitable formula for the good management of any company is the ability of its employees to communicate effectively with external and internal audiences - colleagues, customers and consumers. The employees need to foster customers' trust and to get into open dialogue in the different situations and levels of communication. The communication process is a social phenomenon and involves the dissemination and perception of information at different levels.

The communication is a form of human behavior without which the information sharing is not possible, and is essential for the modern business communications.

Although the globalization has blurred the national borders and markets, there are still intercultural differences<sup>2</sup>. For successful foreign trade it is absolutely necessary to be fluent in one of the official languages of the country - partner, to know the rules for written communication, to study the specific national, cultural and other peculiarities of foreign contractors. Generally speaking English, perceived as international, is required, but that does not mean eliminating the language of the foreign partner. If the company does not have language skills, a translator is hired. The translator needs to know that he translates someone's words, ie. he speaks from first-person. In no case, however, he does not lead

<sup>&</sup>lt;sup>1</sup> Bl. Koyundzhiyska-Davidkova, "Innovation Activity of family in South-West Planning Area", Predpriemachestvo, Vol: 4 Issue 2 (2016): 205

<sup>&</sup>lt;sup>2</sup> I., Stoychev, A.; Vasileva, B. y Andonov, Delovo obshtuvane I pregovori v mezhdunarodniya biznes (Sofia: Nova Zvezda, 2006).

the conversation and does not ask his questions, even being competent enough to lead the conversation<sup>3</sup>.

Each country has its own forms of conduct that define the business etiquette, which includes: the rules of greeting, address, introduction and presentation, receipt and giving of gifts and souvenirs, etc. The cultural norms such as physical touch, unpleasant feeling of touch, periods of silence during meetings, or negligent treatment of time allocation during negotiations may be unfamiliar, unacceptable or disturbing to people of different cultures.<sup>4</sup> Therefore, when negotiating with representatives of companies from both the domestic and international markets, it would be important to pay attention to the preparation of the negotiations. According to Robi Bendorf, the preparation includes several steps, as follows: Take time to learn the local customs and culture.

- 1. Know foreign expectations.
- 2. Have a well developed Negotiation Plan.
- 3. Take time to socialize before working.
- 4. Make sure opening demands are not too modest.
- 5. rovide enough time so as to not have to settle too quickly
- 6. Avoid the attitude of "America's way is best way"
- 7. Not be afraid of silence
- 8. Not disclose too much too soon
- 9. Negotiate face to face
- 10. Use win-win tactics<sup>5</sup>

Communicating in an intercultural environment means taking into account the differences in cultures of different nations and therefore specialized training is required. According to Ernest G. Gabbard "preparation is the key to the successful negotiations. However, for international negotiations that preparation must include understanding the culture of the company/person with whom you will be negotiating. Essential elements to understand are the cultural norms, which generally dictate the negotiating style. I have personally observed the success or failure of negotiations in foreign procurements result more from understanding or lack of understanding of the culture than from any other reason<sup>6</sup>."

The interpretations in business communication and behavior are widened by the interweaving of cultural stereotypes. The differences in cultures are many and varied, so negotiating in one's own cultural environment is difficult. Thus, the communication barriers increase dramatically as they enter the intercultural space. In the process of globalization, foreign language skills are more than necessary, especially knowing the language of neighbors and trading partners. In this context, an important issue for business is also the

 <sup>&</sup>lt;sup>3</sup> Deset pravila za uspeshni pregovori, 19.10.2017 https://www.24chasa.bg/novini/article/6500869
<sup>4</sup> How International Cultural Differences Can Affect Negotiations, (29.05.2019) https://www.michiganstateuniversityonline.com > resources > leadership >

<sup>&</sup>lt;sup>5</sup> R. Bendorf, C.P.M. President Bendorf & Associates Pittsburgh, PA, "How international cultural differences can affect negotiations? How do I prepare for international negotiations?" Guide to International Negotiation Plannining, https://www.nextlevelpurchasing.com/articles/international-negotiation-planning.php

<sup>&</sup>lt;sup>6</sup> E. G Gabbard, C.P.M. CPCM Director, Corporate Strategic Sourcing Allegheny Technologies, Inc. Pittsburgh, PA Guide To International Negotiation Planninghttps://www.nextlevelpurchasing.com/articles/international-negotiation-planning.php

issue of establishing relationships with potential partners and clients, as well as consolidating existing ones.<sup>7</sup>

In order to be ready to negotiate with a foreign partner, the relevant member of the enterprise or firm must first be assured that he / she is fluent in the relevant language. Most important in this case is overcoming the language barrier. Before he is ready to enter into negotiations, he must go through several stages to give him good preparation. First of all, it is a good idea to do exercises or repeat the specific vocabulary in the presence of a higher level in English person, at least to correct your pronunciation. Secondly, the language must be maintained by reading fiction and, in order to expand the linguistic richness, as well as by learning the necessary terminology.

In Bulgaria there is no possibility of immersion in a linguistic environment, so every opportunity to listen to programs, broadcasts, comments, etc. should be used. Working with the Internet is also an option for maintaining the language.

Foreigners justify the mistakes of the Bulgarians in different communication situations, giving them the ignorance of the rules in the respective country, the lack of knowledge of the language and the etiquette of communication. But this is not about communicating in an informal environment, but about high-level conversations when negotiating. It is necessary to observe the rules for communication of a certain nationality, which also requires knowledge of the partner's language. It is very important to understand the role of the formal communication style. The rules of conduct in the partner's country are also determined by the etiquette of communication, which includes rules for greetings, presentations, addresses, exchanges of gifts and souvenirs.

Compliance with these rules will surely make a good impression on the partners before the negotiations start and will be a sure sign of a successful start when negotiating and signing a contract.

Many foreigners turn out to be tolerant of our inaccurate actions and mistakes and attribute them to ignorance of the requirements and rules of business etiquette in their country. The foreign partners would be pleasantly surprised if the Bulgarian partners demonstrate some knowledge in this direction. Thus, respect and sympathy are provoked, which is a decisive factor for establishing mutually beneficial long-term relationships.

A serious barrier between the Bulgarian and the foreign partners is the language barrier. For that purpose, it is imperative visible goals to be set in the conversation, the complex sentences to be avoided, more frequent summaries to be made and the important points in the conversation to be written down. One by one to be presented and distinguished the ideas, the numbers that are mentioned to be written down, risky phrases and literal translation to be avoided, as well as the humor in inappropriate situations. What is also important, this is the non-verbal communication with aim to monitor the body language of the partner. If, despite compliance with these rules, the negotiator finds himself in an unpleasant situation, there is a way to get out of it - the outcome is known to all cultures. The best way is the unpleasant situation to be accepted with a smile that can be an expression of joy, bitterness and sarcasm, a recognized sign of friendliness. It inspires confidence and is an indispensable means of expressing contact. A smile can be

<sup>&</sup>lt;sup>7</sup> V. Kyurova, "The communication policy of hotel business", Economics and management num 1 Vol: 10 (2014).

an excuse, a sign of protection and forgiveness. Behind the smile, a feeling of something unpleasant can be hidden. In Japan, the smile is an expression of difficulty or shock. It may conceal weakness, inability to penetrate, or be misinterpreted as a sign of flirting.

## Conclusion

The negotiations are extremely important for regulating human relationships, as well as for developing and increasing the company's competition. Their role and importance should not be exaggerated, neither they should be underestimated. Each negotiation process is influenced by different by their character and social factors. No matter what level they are run, interpersonally, nationally or internationally, they are subject to the rapidly changing environment. We must remember that they are complex and dynamic in their nature and require rapid adaptation to the situation, necessitating the use of different tactics, approaches and models.<sup>8</sup> There are national, cultural and other differences in the relations between the companies from different countries. Business people are aware of these differences in negotiating communication, and their behavior should be dictated by the local conditions. In particular, they need to be familiar with the business person involved in the negotiations, they need to be familiar with the basic laws, the business and trade regimes, the political situation, the economic situation, the standard of living, the religious characteristics, the cultural level and the educational system. The people in business need to learn and to be aware of the individual habits, the ways of working and the lifestyle of a certain country - a current or a potential partner in the negotiations.

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