

DIMENSIONS OF SUCCESS IN INTERNATIONAL BUSINESS NEGOTIATIONS

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Success of international business relationships depends on effective business negotiations. Negotiators need to be well prepared. Understanding how to achieve international business negotiation outcomes and the factors relevant to the process will allow negotiators to be more successful. International executives attempt to negotiate for an optimal solution: minimizing conflicts and maximizing gains.

In international business negotiations, cultural differences are inevitable between negotiators from different countries. Cultural values can influence international business negotiations in significant and unexpected ways from the first to the last stage of a negotiation. The diversity of values of partners results in different approaches used in the negotiation process and variable expected outcomes. Negotiating with executives from different cultures requires an understanding and adaptability to these differences. Special approaches for particular cultures may be needed.

An international business negotiation is defined as the deliberate interaction of two or more social units (at least one of them a business entity), originating from different nations, that are attempting to define or redefine their interdependence in a business matter. Generally, the process of negotiation consists of three different negotiation stages including the pre-, actual negotiation, and post-stages.

The pre-negotiation stage, which involves the preparation and planning, is the most important step in negotiation. In brief, the first stage of negotiation emphasizes getting to know each other, identifying the issues, and preparing for the negotiation process. The negotiation stage involves a face-to-face interaction, methods of persuasion, and the use of tactics. At this stage negotiators explore the differences in preferences and expectations related to developing an agreement. The post-negotiation stage relates to concessions, compromises, evaluating the agreement, and following-up.

International business negotiations are typically complicated and difficult. This is because the values of the negotiators are different. Negotiators have unique perspectives on negotiations leading to different styles. Other external influences such as international law, exchange rates, and economic growth also increase the complexity of negotiations. International business negotiators need to understand each other's values so that they can adapt their negotiating approaches to emerging situations.