Negotiating problems of logistic enterprises in the Global Economy

INTRODUCTION

Globalization of economic activity, which takes place within markets, sectors, industries or organizations, means that different units in the market are interlinked and they exert an influence on one another in all fields. Relationships developing between the organization and its external stakeholders (suppliers, customers, government agencies, partners, trade unions and so on) assume an increasingly great importance, as they lay foundations for development and growth of businesses. And although integration of activities between nations finding reflection, for example, in a possible access to international financial markets or labour markets creates new growth opportunities, it also complicates interrelationships, which can result from the fact that it is necessary for different companies with different cultures to co-operate. Undoubtedly, various alliances including strategic alliances formed through combining resources, capital and skills make it possible for organizations to accomplish their common goals. They become, however, a source of numerous problems, which result, for instance, from the necessity of thinking not only about the company’s own interests but also about interests of other companies co-operating with it, which is particularly important for logistic companies. It should not be forgotten either that representatives of various nationalities work in enterprises operating in the global market.

Hence, these companies show a justified concern about adapting their management methods and organizational forms to requirements posed by the global market. The organization wishing to meet challenges of competition has to adapt not only its external architecture being most affected by globalization processes, which are best visible in it, but also its internal architecture, which includes both the field of formal ties and interrelationships and also the content of relations between people being a substratum of the national and organizational culture, which determine effectiveness of the organization’s economic activity [2, p. 45]. Although mutual permeation of markets, globalization of production and distribution lead to standardization of many business activity forms including standards of behaviour and conduct, these are deeply rooted culturally models, schemes and procedures, that frequently hamper the process of opening up to global business trends becoming a source of many conflicts. Placing an emphasis on relations within the organization and with its environment implies that a special attention is attached to interpersonal skills and, in particular, skills connected with solving conflicts through negotiations.

Such perspective of perceiving globalization processes outlines the research problem and defines the goal of this article, which is presentation of a new role played by negotiations imposed by the necessity of linking local and global issues by them. It is due to the fact that the process of taking strategic decisions makes it necessary to take into account not only different elements of the local environment but also of the global one, which is often a source of numerous conflicts not only in logistic enterprises.

The article has been prepared on the basis of Polish and foreign literature and research carried out by different academic centres.

1. A NEW ROLE OF NEGOTIATIONS

Thus, globalization processes impose a new role on negotiations, which apart from their role of a tool allowing to build desirable relations with market competitors, with transnational corporations and

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local authorities become also a tool regulating the organization’s membership in a definite group. Choices made in the course of negotiations allow to enter one or another system or depart from it observing the rule “something for something.” It is owing to negotiations that a complex network of links between organizations is formed. It is a sufficient reason for giving a new rank to negotiations – making them an important contribution to building the organization’s potential [8, p.190].

However, for negotiations to play an important role of a tool for building the organization’s potential it is necessary to change the traditional way of thinking about them and behaviours accompanying them, and treating them as the organization’s important competence instead of perceiving them only as a continuum of individual events. It is important that business executives should be aware of conditions, in which they operate, and take all decisions in negotiations being aware of the global environment and opportunities and threats emerging in the market.

A question, which arises here, concerns the scale of a potential impact, which can be exerted by globalization processes on national culture and in this way on negotiating behaviours, as well as their impact on the organization’s culture and consequently on negotiating behaviours. Globalization processes taking place these days exert an unquestionable influence on these behaviours. The problem, however, is that they are not always noticeable in the organization’s perspective, although they are visible on the global scale. Negotiators often face a dilemma whether to assume a micro point of view and reckon with the interest of a single company or assume a viewpoint of the entire structure, within which the company functions. Solving this problem involves a very complex way of reconciling the interest of a narrowly-perceived unit with its interest as a group member. More and more organizations, not only logistic enterprises, face such problems. An example here could be organizations, which carry out research in one country, produce in another country, and have their management centre still somewhere else.

Occurring globalization processes have brought these issues to the forefront and revealed the necessity of finding a solution allowing both phenomena to coexist, that is, globalization of business organizations and preservation of cultural identity, because contrary to common opinions the cultural identity does not disappear and it stands up to standardization processes [10, pp. 34-35]. It is best visible in stances taken by negotiators, who faced with a sudden and unpredictable loss of control over the process of conducted talks tend to give in to views and convictions rooted in their minds being characteristic of a given national culture. Observations of contemporary business practices and a review of literature reports show that the company’s organizational culture plays, however, the most important role, which does not rule out the global cultures permeation process. These days almost every business is interlinked, to a smaller or bigger extent, with other entities operating in a broadly understood macro environment. This also applies to logistic companies.

Many authors, both In Poland and abroad, make attempt to systematize the main negotiating behaviours. And although they are authors, who notice “the impact of a progressive globalization of businesses and an international character of many contemporary problems”[9, pp. 148-149], they focus their attention on behavioral variations and rather seldom on preferable values. Numerous reports generally boil down to a search for simple relationships such as: reading out gestures, attitude to the question of time, wording of a contract, way of communicating etc., and no attempt is made to compile all factors, which can influence behaviours during negotiations in the context of, for example, historical events, followed ethical norms or systems of value, which can be of a special importance when operations of many organizations (transnational corporations, strategic alliances) have a global character[1,p.8].

Two different approaches with regard to the method of collecting and analyzing data can be seen among researches dealing with this problem. Some of them base their conclusions on their observations and experience gained during negotiations with representatives of different nationalities, while others promote a theoretical trend in deliberations based on the theories of culture. Although the first approach allows to perform a comprehensive analysis of national characteristics, it carries a danger of succumbing to false judgments influenced by common stereotypes and prejudices (a disorderly chap, dishonest, a tough negotiator, etc.) making reference to personality traits and ways of behaviour.
The second approach is based on a search for dimensions of cultural variations in behaviours during negotiations in the main theories of culture [9, pp. 148-149], for instance, in those laying stress on attitudes to the authorities, an attitude to oneself, an attitude to risks, or those describing high- and low-context cultures and their influence on the way in which partners contact each other.

When analyzing variations in behaviours during negotiations it seems advisable to refer to G. Hofstede’s views. He made an attempt to distinguish two levels of culture: the first level was identified by him with “a civilization or a certain intellectual refinement, whose expression are: education, arts, literature”[4,p.39], while the second level was associated by him with the ways of thinking, sensing, reacting, and with the entire field of common everyday behaviours such as the way of greeting other people, showing or hiding feelings, eating, dressing. This broad approach to culture allowed the researcher to define priority areas of importance for everyone from the point of preserving one’s identity. G. Hofstede considered these areas to be common for people living in a given social milieu, although he admitted that they did not always have to be synonymous with preserving the cohesion of values and convictions of particular individuals belonging to this milieu. A given country can have several cultures and cultures can reach beyond boundaries of particular states. Therefore, the fact that someone thinks in a different way should not be treated as a problem. On the other hand, it can be a problem that the other side does not know that someone else can think differently. Hence, understanding differences in the way of thinking, sensing and behaving is a basis for building a partnership-based co-operation when striving to work out mutually satisfying solutions through coming to terms during negotiations.

2. THE NEGOTIATING BEHAVIORS IN THE GLOBAL ECONOMY

Many authors, both In Poland and abroad,² make attempt to systematize the main negotiating behaviours. And although they are authors, who notice “the impact of a progressive globalization of businesses and an international character of many contemporary problems” [9, pp.148-149], they focus their attention on behavioral variations and rather seldom on preferable values. Numerous reports generally boil down to a search for simple relationships such as: reading out gestures, attitude to the question of time, wording of a contract, way of communicating etc., and no attempt is made to compile all factors, which can influence behaviours during negotiations in the context of, for example, historical events, followed ethical norms or systems of value, which can be of a special importance when operations of many organizations (transnational corporations, strategic alliances) have a global character [1,p.8]. These problems are very common in the logistic enterprises that operate in the Global Economy.

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When analyzing variations in behaviours during negotiations it seems advisable to refer to Hofstede’s views. They made an attempt to distinguish two levels of culture: the first level was identified by him with “a civilization or a certain intellectual refinement, whose expression are: education, arts, literature”[6, pp. 20-21], while the second level was associated by him with the ways of thinking, sensing, reacting, and with the entire field of common everyday behaviours such as the way of greeting other people, showing or hiding feelings, eating, dressing. This broad approach to culture allowed the researcher to define priority areas of importance for everyone from the point of preserving one’s identity. Hofstede considered these areas to be common for people living in a given social milieu, although he admitted that they did not always have to be synonymous with preserving the cohesion of values and convictions of particular individuals belonging to this milieu. A given country can have several cultures and cultures can reach beyond boundaries of particular states. Therefore, the fact that someone thinks in a different way should not be treated as a problem. On the other hand, it can be a problem that the other side does not know that someone else can think differently. Hence, understanding differences in the way of thinking, sensing and behaving is a basis for building a partnership-based co-operation when striving to work out mutually satisfying solutions through coming to terms during negotiations.

It is confirmed to some extent, by findings of the research carried out in the 1990 by J. Graham, who referred his observations to such attributes of negotiations as: results of negotiations, ways of reaching a consensus and relationships being created between sides, or achieved level of satisfaction. He noted that:

- there were no reasons to think that the outcome of negotiations depended on the area of culture;
- there was no relationship between a negotiator’s country of origin and his/her inclination to cooperate; there were, on the other hand, variations in styles of negotiating and in the nature of relationships being established between sides, that is, in the way in which sides behaved in reaching an assumed goal [9, pp.162-163]. It is confirmed by many researchers, who recognize simultaneously that the style of negotiators representing different cultures depends on their place in the hierarchy of power, the sense of identity, relationships forming between partners and the way of time perception [7, p.41].

FINAL REMARKS

It should be noted that globalization processes create an opportunity to standardize the norms of business behaviours and they often lead to their unification, as it was already mentioned3. Deep roots of national cultures will, however, tend to persist, although not all elements of the negotiation process will be giving in to the impact of globalization to the same degree.

Many determinants of negotiating behaviours can be undoubtedly distinguished in the global environment. Therefore, it is a major simplification to restrict attention to recommendations of behavioral nature such as: how to drink tea, when to abandon talks etc., as such approach does not lead to getting to know a partner correctly and understanding his/her system of values, although they are frequently treated as the only obstacle to conducting international negotiations in the relevant literature. Such approach seems to be unjustified, because it can be noticed when observing behaviours of negotiators that behavioral variations existing between them tend to be subject to unification processes fastest through permeation of cultures. The main factors affecting a negotiator, apart from cultural ones, are: socio-political system, economic system, financial and tax system, religion, convictions, system of work, infrastructure and logistics [15, pp.139-146]. The main barriers for negotiators of international transactions are: environment of negotiations, cultural and ideological differences, bureaucracy, foreign laws and governments, diversity of currencies, as well as instability and sudden change [13, pp.19-20].

National cultures exert undoubtedly an influence on the way of negotiating. S.P. Robbins makes even a reference to researches, which showed that it is the national culture and not the organization’s

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culture, which determines negotiators’ behaviours [12, p.256]. However, it can be supposed that the situation looks different in transnational corporations (IBM) in comparison with that in family companies. G. Hofstede [5, pp.11-32] claims that national cultures influence people’s behaviours in a different way than organizational cultures, as they operate at different awareness levels. National cultures “find their way” into organizational cultures and, to some extent, they constitute their element. It takes place through people functioning in both these cultures. People are more or less aware carriers of both the national culture and the organizational culture. Consequently, their behaviours in the course of negotiations will be determined by both cultures.

Summary

Mutual permeation of markets, globalization of production and distribution lead to standardization of many forms of business activity including standards of behaviour and conduct. Meanwhile, culturally rooted models and procedures frequently impede the process of opening up to global economic trends becoming a source of many conflicts. Laying an emphasis on the organization’s internal relationships and its relationships with environment implies that interpersonal skills and especially skills of solving conflicts through negotiations tend to be of a special importance. It is due to the fact that in order to create networks of interacting organizations and combine different production factors it is necessary to interlink the organization’s own interests with those of companies co-operating with it. This situation imposes a new dimension of negotiations, which become an instrument of building definite relations in the global environment. The question which arises here concerns factors determining negotiating behaviours in the context of national and organizational cultures.

Key words: negotiations, globalization, building of relations

Negocjacyjne problemy przedsiębiorstw logistycznych w gospodarce globalnej

Streszczenie

Nieodłączną cechą postępujących procesów globalizacyjnych jest tworzenie sieci współdziałających ze sobą organizacji i łączenie różnych czynników wytwórczych. Zarządzanie w takich warunkach wymaga konieczności powiązania interesów własnych z interesami współpracujących firm. Wyznacza to nowy wymiar negocjacji, które stają się narzędziem budowania określonych relacji w globalnym otoczeniu. Pojawia się zatem pytanie o czynniki kształtujące zachowania negocjacyjne w kontekście kultur narodowych i organizacyjnych.

Słowa kluczowe: negocjacje, globalizacja, budowanie relacji

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