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Diploma Thesis

Business Negotiations in Different Countries – Case Study: China, with Russia and Moldova

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Summary of aims and objectives

The objective of the work will be to offer guidance to companies that are going to do business in Russia, China or Moldova in the sphere of business negotiations. The formulated recommendations shall explain what difficulties one might face and what the solution is.

The main hypothesis of this master thesis is the assumption that the cultural background has big influence on the process of international business negotiations.

Methodology

The structure of the thesis is divided into several parts: theoretical background of the problem and practical implementation. First part is dealing with the creation of theoretical basis for further research and will focus on literature research of the business negotiations process.

After all, practical part contains the throughout analysis of business negotiations in several countries: China, Russia and Moldova. The thesis is based on different methods, such as literature research of different foreign authors which will be used primarily in the theoretical part.

The field research is principally created on organised interviews with the Top Managers of different nationalities with worldwide experience. The interview contains designed and well prepared open questions and they will be the same for every interviewed person.

Based on the problem discussion, the following research questions were answered:

- Is it required to have a partner in these countries who will present our interests or it is possible do manage on the local market by ourselves?
- What are the most important issues a businessman or company going to China, Russia or Moldova should consider?
- What difficulties and problems may be faced when negotiating in these countries?

Key findings

In the theoretical part of the thesis, basic theoretical statements were analysed, that helped later in further research. There were discussed such aspects of negotiations as: strategies,

tactics, emotions, team negotiations and nonverbal communication. At the end of the theoretical part, the cultural differences of the countries were analysed.

The practical part consisted of secondary and own research. Secondary research was divided into 3 parts: preparation for negotiations, negotiations meeting, after negotiations. Here, the fundamental were the key aspects of conducting negotiations in different countries, such as Moldova, China and Russia.

The research was performed via in-depth qualitative open-ended interview. The respondents were top managers, general managers, partners who have worked or conducted business in these countries. The questions answered by the respondents refer to the negotiation process, preparation for negotiations and further actions.

In all three countries under analysis the society represents a traditional and patriarchal structure, in contrast to Europe. It is necessary to pay big attention and follow the hierarchy rules during negotiations and communication. Important is to keep in mind the inadmissibility of criticism to the local policy or regime, and of course, the different approach to time and to trust. The ideal step in the preparation for the negotiations would be the introduction to the future party by local intermediary. When talking about concessions, the immediate agreement does not look as the best action. Other proposals were discussed in detail in the thesis.

Certainly the culture has a direct impact on the negotiations process, because it is the basis of human behaviour and the participant of the negotiations. For that reason, when traveling to another country it is advisable to learn about the culture of the country and to know at least a couple of key phrases. It will improve all phases of negotiations process and it makes it easier to understand the behaviour of the other side.

Every businessman going to China, Russia or Moldova should be professional in the field. The clear-eyed approach, the good reasoning and the detailed product knowledge is appreciated in any country. It is not need to take on the strategy of the counter party, as for example being aggressive, as Russians do, or temporise as Chinese do. Being a perfect professional is the perfect solution for all issues. The religion does not have such a big impact, in these countries. This is due to the fact that China, Russia and Moldova are not as religious as, for example the Arab countries.

Based on the above arguments, it can be said that the purpose of the thesis is fulfilled. In the thesis are describe the tips for leading negotiations in three countries, and the guidance is based on both, own analysis and the analysis of other authors.

In conclusion, it should be noted that the study was focused on the practical view of the question and was directed towards the practical advice for businessmen rather than in-depth study of the causes. Subsequently, the study can be extended into this domain.

It should be also mentioned, when planning and preparing for negotiations in Asia, Russia or other part of the world everybody focuses on differences by analysing them etc.

We forget that in each negotiation there are more similarities than differences, because both parties aim to conclude the deal and get positive results, which is the most important factor.

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