

A ROMANIAN PERSPECTIVE OF INTERNATIONAL BUSINESS NEGOTIATION

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Proper preparation of international business negotiation is an important factor for having success in a foreign market and in establishing long-term relationships. When negotiate in a foreign environment, international negotiator must be aware of the cultural context and has to be prepared to develop a cultural profile for each country or region with which he or she does business. Romania offers a lot of opportunities for international investors due to its economic potential, geographic location and many more. The purpose of this article is to emphasize some of the Romanian values and behaviors associated with international negotiation and to describe how Romanians usually negotiate.

Keywords: negotiation, cultural context, international business

International businessmen are always looking for best opportunities and markets in order to increase their gains or to assure the sustainability of their businesses. There is no doubt that a country like Romania has a lot to offer and cannot be eluding as investment destination.

Romania is the eighth largest country of the European Union by area, and has the seventh largest population of the European Union with more than 20 million people. Bucharest, the capital and largest city in Romania, is the sixth largest city in the EU. GDP growth in real terms exceeded 7% in 2008 because of a high production in agriculture, one of the highest rates in Europe. Because of the financial crisis the country fell into a recession in 2009 and 2010, where the GDP contracted -7.1% and -1.3% respectively. However, the GDP grew again by 2.2% in 2011 and 0.7% in 2012 and it is estimated to continue to grow by 1.6% in 2013 and 2.2% in 2014.

Both in business and social relationships, knowing something about the other person's expectations and habits, represents a way to facilitate the path to successful communication. It is very important to realize that it is likely that other people's aspirations to conform to the culture to which it belongs and which, in turn, may be different from ours.

We may say that one of the basic qualities of a negotiator is the ability to adapt the behavior according to the behavior of his or her negotiating partner when is needed to do so. To acquire this *virtue*, a negotiator should be aware of some key concepts, or as the Americans would say in their pragmatism, to follow a set of simple principles, available also for negotiations with Romanians.

Principle 1: Only negotiate when you are ready for getting through all negotiation stages. International negotiators should start the negotiation processes when they feel prepared to do it, have time and emotions under control. Once identified the

necessity of negotiation, the international negotiator should be prepared for the encounter with the Romanian negotiator/s. Characteristics and psychology of Romanian negotiators are not radically different from other business partners from other countries, Romania being a quite homogenous country from the cultural point of view.

Having experienced a long period of autocratic regime, Romanians like to declare their deep desire for freedom and repulse any allegiance toward one's orders or the whim of others. One can notice vivacity, cleverness spirit, and distinguished and fine intelligence, sometimes hidden under a modest or shy appearance what does not let to suspect what lies beneath it. They show modesty and wisdom that seeks to remove hazards by preventing them, cautiousness over the edge, patience, tolerance, and a peaceful attitude to the extreme edge. In the same time, one can notice the easiness to speak foreign languages, especially English, French, German and Russian. Romanians are jovial, friendly hosts, and easily reveal information about their private lives and educational training.

Most are extroverts and love to show off professional achievements and social or professional status. Rules of protocol and etiquette are known only by those who do business at a high level, possibly with foreign partners. The outfit, compared to other nations, is generally neat and correct. But, because of the desire to show off or lack of information, one may find inappropriate or kitsch dressed businessmen.

On the other hand, some Romanians are capable of every virtue if it is not required for persistent too long. They do not foresee the consequences; carry out activities dominated by consideration of the moment, neglecting the possible consequences of actions and the foreseeable future. Occasionally, there is inequality in appreciation, inconsistency, lack of unity and method, lack of proportion and order, no plan and a logic based on a sound rationale. Conclusions often relies on baseless arguments and start from false premises.

They have a sarcastic wit and talent for satirizing with a lot of humor when they want to punish bad habits. But, sometimes, easiness of understanding things, combined with some oriental habits, led to criticism without making efforts to correct things criticized, which is transformed in tenaciously defending of principles (that are absolute), neglecting their correlation with practical activity (that is relative) that must be full of concessions and compromises. In this comparative imperfection, they think everything is wonderful and perfect in other countries, while everything is bad, inadequate and objectionable in Romania.

In any action undertaken (when selling, buying, hiccup, drink, sneeze and even for *good morning*), Romanians wish themselves *luck (noroc)*. Philosophy is contained in the popular proverb: "*the head down the sword does not cut it*". Other features are credulity, defensive resistance, resignation submitted, and lack of offensive power, which also translates into a lack of projects, "naughty" by their audacity. Sometimes there is a lack of confidence in own efforts. One used with disciplined, uninterrupted and methodical work, can easily notice that Romanians start many times things that do not (intend to) complete. For some it is true the proverb: "*for a Romanian it's difficult to start something, but it's easy to quit on it*".

Romanian businessmen do not always focus on the preparation of the negotiation. Process is more superficial, this is especially true for small entrepreneurs who go into

negotiation with a psychological disability, tilting to believe that the other has greater bargaining power and cannot realize their full potential. Many small Romanian entrepreneurs do not often know basic rules of contracting and contract development and much do not have knowledge of management and marketing.

In Romanian domestic business environment, Romanians usually want to do business only with those they know and like and feel comfortable with. The same behavior is applied to the international environment. Therefore, an international negotiator should not be surprised by the number of personal questions, before the launching into profound debates. The Romanian partner only wants to establish a personal rapport and to get the feeling of trust.

Introduced or not by a local intermediary, the international negotiator is expected to not be in late for the first meeting. Generally, the best times to plan appointments are between 9:00 a.m. and 18:00 p.m. The initial part of the first meeting is rather formal, but, because Romanians appreciate people who are open, can get more relaxed by time. Introductions are followed by handshakes, and sometimes, if the guest is a woman, she may expect that Romanian host to kiss her hand, if the host is a man.

Romanian names are traditionally used in the order of first name, middle name and family name. If a person has an academic or professional title, it can be used, followed by the family name.

More and more Romanians have business cards, and Romanian businessmen almost always use its. Because the exchange of business cards is a necessary practice when meeting someone for the first time, this step is often met in Romania, too. The international partner should be prepared to offer business cards (the more professional or academic titles on the card, the better), but may not always get one in return. In the same time, should not forget that the purpose of the first meeting is not getting to an agreement, but the establishing of a relationship.

Older and reputable businessmen tend to disregard and not take seriously encounters with much younger people, at least not at the first meeting. Romanians tend to keep the appearances and often want to negotiate with persons in similar positions; the social status is still important for them.

When negotiations start, in the *nontask sounding stage* (where there are no forbidden topics for Romanians), the soft subjects and the exploratory talk are rapidly exhausted, in many cases Romanians being focused on financial issues.

The international negotiator should begin on a positive note and focus on the issue or the problem, not on winning. In this *task-related exchange of information stage*, the Romanian partner would prefer to let the other to state the negotiation position and to initiate the information flow. The external partner should be aware that Romanians are influenced by precedents or similar situations, so specific examples have to be given, together with facts and logical arguments. Romanians go heavily on comparisons between their own produce and competition, but sometimes this is an unconvincing approach, even annoying for the foreign partner.

The foreign partner should demonstrate listening and clarifying skills, especially when discussion is held in English. Because Romanians look for win-win solutions, their counterparties should refrain from putting them on the defense or from engaging in

destructive arguments which may damage the perspective of long-term relationships, so valued by Romanians. If the foreign partner demonstrates the understanding of the local partner's needs, this will be highly appreciated.

Although Romania used to be a collectivist society, it often happens that the negotiating team to show a weakness in communication and working as a group, young people tending towards individualism.

During business discussions, Romanians can prove to be hard and tenacious negotiators, and it may be difficult to obtain concessions from them. The *persuasion stage* (when the tough bargaining starts), can be longer. Though concessions never come easily, prices may move by about 15 to 20 percent between initial offers and final agreement, although there are cases when the price is decreased easily. The international partner should leave itself sufficient room for concessions at different stages. In some cases, when entering into a business, they conceal interest in what they want to buy and only tangentially ask what really interest them, inquiring instead of other issues. Matters regarding contract clauses will be rather discussed one by one than globally, but the time frame of discussions will not be always respected.

If the parties reach the *agree stage*, and a final decision to close the deal was made, they have to sign the contract, which is, in most cases, lengthy. Romanians are cautious in making decisions, do not want to take risks and want to avoid the uncertainty, trying to include in contracts all details and conditions covering any eventualities; for this reason small businesses hesitate to negotiate major contracts involving large sums and strict contracts. In many cases, contracts are signed and stamped on each page.

Follow-up communications are an important part of business negotiations with partners and clients from most foreign countries. Establishing relationships with Romanians can be easier than maintaining. Here the international negotiator can score in front of Romanian counterpart, by keeping the relationship "warm" through e-mails, letters or phone calls.

Principle 2: Let's learn each other's culture. In any international business, it is crucial for the international negotiator to learn about the culture of the other party. The information that can be gathered depends on many factors, including the nature and importance of the transaction, negotiators experience, time available, the similarities and differences between the cultures of parties. Of course, a person who can speak the language and knows the culture of the partner can use these as an advantage, but who knows these things will likely hire a mediator in the country. But in the case of a simple sale negotiation, which is made only once, lower level of knowledge is required than a long-term partnership. In an ideal situation, the process requires several months or even years of study, the mastering of the foreign language, and long stay in that country. International transactions increasingly take the form of long-term partnerships; therefore is very important to study the culture even after the contract was signed. In fact, we can even speak of a "*continuous negotiation*". For example, a foreigner who must negotiate with Romanians in Bucharest over three weeks cannot obviously to learn Romanian at this time. But he or she must be aware that in the process of preparation, the Romanian negotiators, representing big companies involved in international business, usually choose carefully the strategies and tactics that will be used during the negotiation, being influenced by the culture and personality of the international negotiator.

Generally speaking, religion does not influence the business dealings and mentality of Romanian businessmen, even most of Romanians declare to embrace a religion (87% are Orthodox Christian). Honor and personal pride are critical in Romanian culture. Even Romanians are, almost always, receptive to criticism (as long as it is constructive); a foreign partner should never insult the honor or personal pride of the Romanians and their families, their history, their symbols, or their friends. If the partner wants to offer a gift, it is good to know that Romanians like prestigious brand names. The gift should be at the same time small and not too expensive. Gifts of alcohol or crafts from partner's own country are often good choices, together with items having company logo or design.

Principle 3: the international negotiator should avoid stereotypes. One can imagine that not all Romanians employ a polychronic work style. And not all final decisions of Romanian negotiators are slow and protracted. The negotiator who enters in contact with a foreign culture, like Romanian one, should not allow stereotypes to determine relationships. Foreigners may feel offended if they see that they are treated as individuals, but as cultural robots. In addition to offensives, stereotypes may induce in error. Often the other party does not behave as written in textbooks. This is because there are other forces that influence behavior: personality, the organization represented by the partner, the cultural context.

Romania's image is still often exclusively linked to poverty and corruption. These prejudices can have a major influence on business decisions made by foreign investors. In a recent article published by a well-known German newspaper, *Die Welt*, Mr. Jürgen Schmidt from Marquardt Company, who took over the company's manufacturing plant in Sibiu in 2008, said, after more than five years spent in Romania, that he does not want to leave: *"I do not ask the German headquarter how long I have to stay, but how long can I stay"*, adding that he appreciates especially the life of the city and the openness of the people, who have something from Italy rather than Eastern Europe.

Principle 4: always try to find ways to eliminate cultural differences. In general, the cultural differences are seen as obstacles or weapons. Generally, it is assumed that cultural differences never appear as something positive. In the same time, many negotiators believe that cultural differences prevent agreement. Therefore they seek ways to eliminate these differences. But a different culture can be more than an obstacle; can be a weapon by which one party wants to impose. For example, the expression *"as we do in our country"* can be seen by others as a weapon. In this situation, some may become intimidated, defensive and can build a fortress of defense. For instance, in Romania, where the bargaining stage of a negotiation can be extensive, and where there are almost always differences between initial offers and final agreement, yet reasonable comparing with other countries, a well prepared international negotiator will understand the situation rather than reacting negative.

In conclusion, an international negotiator should expect to find in Romanians partners interesting characters, rather formal in many aspects (preoccupied by the attire, by the existence of a clear agenda of discussion, by protocol actions etc.), guided by their feelings, quite indirect and seeking long-term relationships.

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