1 Introduction to the Negotiations

If one is not patient in small things, one brings about the failure of great undertakings Confucius. (551 B.C.-479 B.C.)

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Summary

Negotiations are a form of communication, usually in the form of a conversation, about a controversial issue that is characterized by conflicting needs, interests and motives. Basically, negotiations aim to balance interests by weighing positions and intensity of needs to reach a conclusion (Obrien, Negotiations for Procurement Professionals, Kogan Page, Croyden, 2016). All people have interests, wants and needs. These

needs may be of different nature but have same characteristics. Buyers have a desire and need to obtain the lowest purchase price in a transaction, whereas sellers strive for the highest selling price. Internal company demands for a higher budget are also needs that have to be enforced in internal company negotiations (Helmold and Terry, Lieferantenmanagement 2030, Springer Gabler, Wiesbaden, 2016a). In a company, for example, there may be a desire for additional sales staff in order to expand into other countries and markets. Job interviews also involve desires and needs of the parties involved, namely to find the suitable employee or position. In addition to the actual job, there are numerous elements in job interviews, such as salary, fringe benefits or social benefits, that are part of the negotiations.

1.1 Negotiations: Definition and Delimitation

Negotiations are a form of communication, usually in the form of a conversation, about a controversial issue, which are characterized by conflicting needs, interests and motives. Basically, negotiations aim to balance interests by weighing positions and the intensity of needs to reach a conclusion (Obrien 2016). All people have interests, desires, motives, and needs that they want to realize. These needs may be different in nature but have the same characteristics and expressions (Obrien 2016). Buyers have the desire and need to obtain the lowest purchase price in a transaction, whereas sellers strive for the highest selling price. Both sides aim for the best price for their own side (Obrien 2016). Intra-company demands for a higher budget are also needs that have to be enforced in intra-company negotiations (Helmold and Terry 2016a). For example, in a company, there may be a desire for additional salespeople to expand into other countries and markets. Job interviews also involve wants and needs of the parties involved, namely to find the appropriate employee or position. In addition to the actual job, there are numerous elements in job interviews, such as salary, benefits, or perks, that are part of the negotiation. Not only in companies, but also in personal life, there is a plethora of needs that end up in negotiations. For example, a daughter may want her father to take her to school by car instead of using public transportation. Or a family negotiating where to go on vacation. All of these needs and wants represent negotiations over controversial issues and usually lead to a more or less consensual outcome. Negotiations are interactions between two or more parties about a specific issue with the fundamental interest of the parties to reach an agreement. These are characterized by an envisaged reconciliation of interests and a negotiated outcome (Obrien 2016). Negotiations are diverse, as all authors describe, and take place in every conceivable area of life (Helmold 2018; Dathe and Helmold 2018; Schranner 2009; Obrien 2016). Examples of negotiations are:

- Commercial discussions and agreements between buyers and sellers in commercial transactions

- Technical agreements on product performance characteristics between customer and supplier
- Agreements between supplier and customer on the performance and specification characteristics of services
- Coalition negotiations between parties to form a government after the last federal elections
- Online auctions of the purchasing department of a large corporation for the scope of a major project
- Haggling with the seller at the flea market with the subsequent purchase of an antique piece of furniture
- Students who have an oral final exam and answer questions from professors.
- Applications and interviews for a position with personnel and technical department about salary
- Requesting a salary increase from an employee to his supervisor due to good performance
- Agreement of employee goals within the framework of the annual appraisals by the supervisor and employee
- Arrangements of freelance consultant about project scope and workload with the commissioning customer
- Application of an honorary lecturer to a university to lecture to students of economics and business studies
- Discussion between parents and children about which restaurant the family goes to in the neighbourhood
- Children asking their parents for sweets at the checkout while shopping in a supermarket
- Hostage-taking and assertion of the hostage-takers' claims with the police, e.g. getaway car

The term negotiation originally comes from the Latin stems "Neg" (German: Nein, keine) and "Otsia" (Freizeit), i.e. "no leisure time". Unlike the nobility, the patricians, the citizens of Rome had no leisure time as part of their daily trading and work. In the seventeenth century, the term has been modified in the French language towards the meanings such as "business transaction, agreement, and resolution of a conflict" (Cambridge Dictionary 2018). Obrien defines negotiation as the process and reaching of an agreement on a particular matter by at least two parties (Obrien 2016). In this context, all parties aim at balancing interests and eliminating conflict, through common ground (Obrien 2016; Abdel-Latif 2015). Negotiations are therefore characterized by the following attributes and properties:

- At least two or more parties must be involved
- The objective of the parties must be to reach an agreement
- The effort of the parties must be to resolve a conflict amicably
- There must be a willingness to give and take from all parties

- A desired balance of interests must be achieved
- All parties must take initiatives to find a solution

If these attributes are only partially fulfilled or not fulfilled at all, one does not speak of negotiations, as Obrien states (Obrien 2016). In addition to the attributes of negotiations, numerous authors describe that certain success factors are necessary for positive negotiations. Negotiations need to be effective, efficient and take place in the right environment (Obrien 2016). According to Obrien, the following success factors can be summarized in order to successfully conduct negotiations (Obrien 2016):

- Effectiveness in negotiations (quality)
- Efficiency in the process of negotiations (time management)
- Climate of negotiations (relations)
- Balance of power of the negotiating partners (equality)
- Agreement on the points of negotiation (communication)
- Shared benefits (fairness)
- Formulation of objectives (clarity)
- Profit orientation (value creation)

1.2 Competencies and Characteristics for Negotiations

We humans have needs and negotiate on a daily basis. Negotiations arise on the basis of these human needs and can take place in private life, in companies, between companies or in politics (Helmold and Terry 2016a). Negotiations are based on different interests and motives of at least two or more negotiating parties and are usually interactive (Obrien 2016). Differing interests therefore automatically lead to demands and positions of the negotiating counterpart, which cannot be accepted by the negotiating parties and therefore have to be rejected. In turn, we as negotiating partners, on the other hand, have to convince the opposing negotiating party of our own arguments and assert them as best we can. These aspects therefore require various skills and traits of the negotiators to successfully achieve the negotiation breakthrough (Helmold 2018). The traits include persistence, strategy knowledge, result orientation, persuasiveness, patience, flexibility, self-confidence, sustainability, competence, cultural understanding, solution orientation, catalytic thinking, process orientation, perseverance, and facilitation skills, as Fig. 1.1 shows. Although not all of the above competencies need to be equally present, a balanced possession of these competencies is a condition for successful negotiation (Helmold and Terry 2016b). Professionally trained negotiators can successfully influence the company's outcome, whereas a lack of competencies will lead to diminutions in the outcome (Helmold et al. 2017). Especially due to the increasing international trade, these competence requirements will be of central importance for companies in the future, as the authors Helmold, Dathe and Büsch state in their study (Helmold et al. 2017). Other authors and negotiation consultants

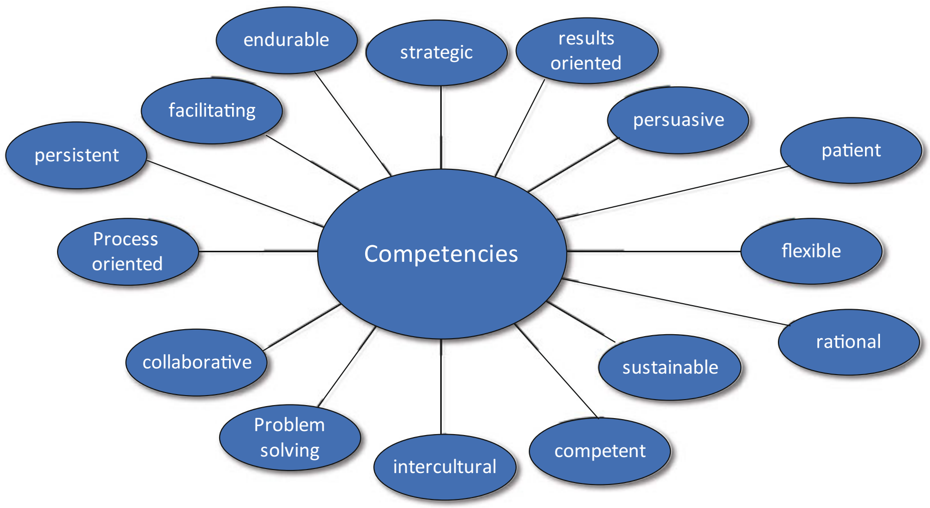

Fig. 1.1 Competence requirements in negotiations. (Source: Own representation, Marc Helmold)

such as Schranner or Obrien also point to deficits and weaknesses of companies in international and intercultural negotiations (Schranner 2015; Wilkes 2016; Obrien 2016). As a necessary consequence, companies must therefore offer their employees competent and professional training in negotiation techniques and conflict management, both internally and externally, in order not to suffer a competitive disadvantage (Wilkes 2016). Furthermore, the advancing internationalization is a trigger for companies to train employees interculturally and internationally (Obrien 2016). This includes language skills as well as cultural specifics in international negotiations, which are described in Chap. 7 (Helmold et al. 2017). Figure 1.1 shows the necessary competencies that are mandatory for international negotiations.

1.3 Negotiations as Part of the Corporate Strategy

In the competition for customers and markets, companies have to make countless strategic, operational and tactical decisions every day in order to secure or expand competitive advantages and their own market position (Johnson and Scholes 1997; Porter 1985). In this context, strategic management provides methods and tools that enable them to develop and implement strategies to achieve long-term success (Johnson and Scholes 1997; Mintzberg et al. 1998). Strategic management, understood as conscious, logically structured action, concerns decisions that influence the fundamental direction of a company. They serve the goal of securing the long-term success of the company by generating competitive advantages (Mintzberg et al. 1998). Means for this are the positioning in the market and the design of the resource base of the company (Johnson and Scholes 1997).

Fig. 1.2 Phase model in strategic management—strategic triangle. (Source: Own representation based on Johnson and Scholes 1997)

Strategic decisions of a company require tactical and operational implementation. Negotiations with a wide variety of stakeholders can come into play here, e.g. negotiations with government bodies, with consultants, with the owners on the strategic direction, with important customers or suppliers, or with the works council. The ideal typical process of strategic management consists of the steps of strategic analysis, strategic selection and strategic implementation, as Fig. 1.2 shows. These three phases are known as the Strategic Triangle according to Johnson and Scholes (Johnson and Scholes 1997):

1.3.1 Strategic Analysis

Step one begins with the strategic analysis (Johnson and Scholes 1997). This serves as a comprehensive information gathering as a basis for strategy formulation. It mainly consists of analysis and forecasting of the company's environment, i.e. macro-framework conditions, industry, customers and competition (external analysis) and analysis and forecasting of the company itself (internal analysis) (Johnson and Scholes 1997). Analyses within this stage include the environment, expectations, capabilities, competencies and resources (Johnson and Scholes 1997). The environmental analysis, which is described in Appendix 7, (PESTEL, Political, Economic, Social, Technological, Environmental and Legal), is an appropriate tool in the international context (Helmold and Terry 2016a). Other tools such as the industry or strengths and weaknesses analysis are also suitable as a means of preparing for negotiations (see Chap. 5).

1.3.2 Strategic Selection

To formulate the strategy, first of all, based on the analyses in the previous phase “strategic analysis”, strategy alternatives and options are developed that appear suitable for generating competitive advantages. These alternatives are then evaluated on the basis of evaluation criteria, whereby the evaluation criteria must reflect the company’s goals. Among the alternatives, the one that promises the best possible achievement of the company’s goals is now selected; it represents the future corporate strategy (Johnson and Scholes 1997). Porter recommends selecting either cost leadership or performance leadership as the strategy option (Porter 1985). These generic strategies can be industry-wide or focused only in one industry (Porter 1985). Where cost leadership focuses on optimal costs, performance leadership focuses on unique selling points in quality or other areas from the customer’s perspective (Porter 1985).

1.3.3 Strategic Implementation

Once a strategy has been chosen, it must be successfully implemented, i.e. translated into concrete actions that steer the company in the direction of the formulated strategy (Porter 1985). To do this, it is first necessary to operationalize the strategy to such an extent that management at all levels associates it with goals that correspond to their respective areas of responsibility. This hierarchical breakdown of goals is often reflected in strategic and operational planning, which serves to control resources in line with the strategy (Porter 1985). For strategy to be lived in a company, it must harmonize with the structures and systems in the company (Porter 1985). Therefore, strategic implementation must always be accompanied by an appropriate design of organization, processes, management information systems and incentive systems, as Johnson & Scholes point out (Johnson and Scholes 1997). In addition to these prerequisites, employees must be attracted and enthused to implement the strategy (Johnson and Scholes 1997). Information, motivation and qualification of employees, i.e. change management, play an important role here. The last important element in strategy implementation is systematic control. This refers to the progress of the implementation, the effectiveness of the measures and the success of the strategy for the company (Johnson and Scholes 1997). Also a form of control is the continuous monitoring of the premises of the chosen strategy. If conditions in the company’s environment change, the strategy may need to be readjusted. Premise control is identical to strategic analysis, which shows that strategic management is a continuous process. Strategic management takes place at several levels. At the corporate level, the main focus is on issues related to the management of the portfolio in business areas. In particular, corporate strategy must ensure that the overall company is worth more than the sum of its individual businesses (Johnson and Scholes 1997). If a company comprises several business units, strategic management also takes place at the business unit level. The focus of the business strategy is the behavior of the company in the respective market and competitive environment. It is therefore often referred to as competitive strategy (Porter 1985). In connection with the overall strategy, the concepts of mission, vision and mission statement are often referred to as well as strategic management. Sub-strategies or strategic objectives (sales strategies, procurement strategies, in-house or external production strategies, marketing strategies, financial strategies, etc.) are defined as subordinate and must be implemented tactically (in the medium term). In this context, negotiations with internal or external stakeholders are necessary. Stakeholders are all groups that are indirectly or directly involved in the company's performance (Johnson and Scholes 1997), such as customers, suppliers, banks, the tax office or other groups (Johnson and Scholes 1997).

1.3.4 Shaping the Strategic Direction: Strategic Pyramid

A helpful tool for negotiations is the strategic pyramid (see Fig. 1.3) according to Johnson and Scholes (1997). In this context, strategy means the long-term positioning as well as the decision of the company which business areas are to be successfully conquered with which strategies (Johnson and Scholes 1997). Strategy is therefore "the fundamental, long-term orientation and design of a company to achieve competitive advantages in a changing environment through the use of resources and competencies and to realize the long-term goals of the stakeholders" (Johnson and Scholes 1997). This orientation is described in the mission, which describes the long-term and overall purpose of the company. The definition

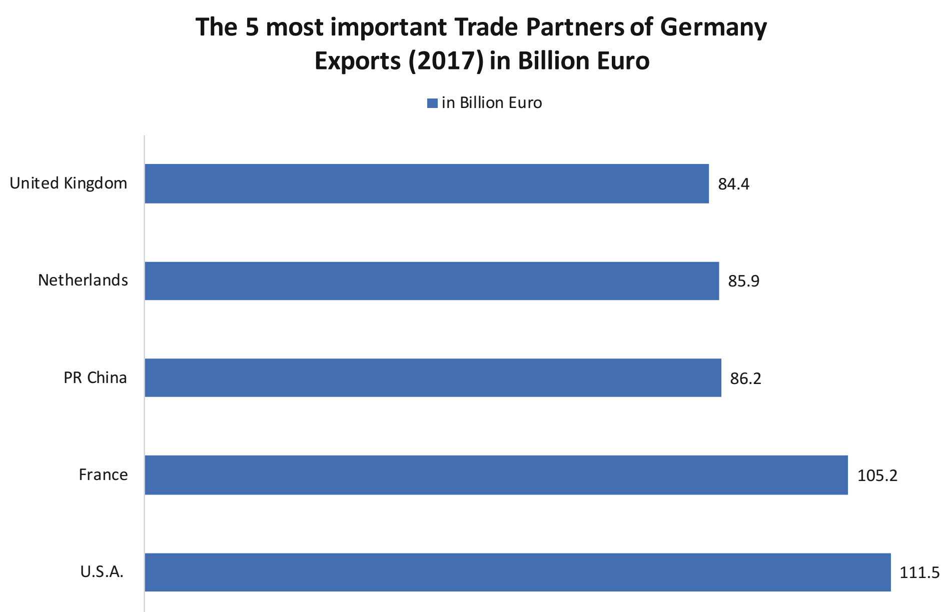

Fig. 1.3 Strategic pyramid. (Source: Own representation based on Johnson and Scholes 1997)

of the mission is followed by the vision, which manifests the desired future status of the company. The time frame here can be assumed to be between two and five years. In the example of the consulting firm of the author Professor Marc Helmold, MaHeLeanCon, the mission and vision are as follows:

1.3.4.1 Mission and Vision

Mission and vision comprise the long-term purpose of the company and the strategic intent of the company (Johnson and Scholes 1997). For Professor Helmold's MaHeLeaCon company, these elements look as follows (IUBH 2018):

Example

Mission: To create value by advising small and medium-sized enterprises (SMEs) from Germany or China with the aim of supporting them in entering the Chinese market or vice versa in Germany and to successfully design and implement the market entry. In addition, companies are prepared and supported in process improvements and in negotiations with customers or suppliers. In particular, successful negotiations with business partners from different countries in an international context, taking into account cultural elements, are one of the main pillars of the company and mission.

Vision: The vision or strategic intent can be defined as follows: Acquisition and support of ten to 15 customers (SMEs) in the areas of market entry, negotiations and process improvements, and generation of a turnover of up to EUR 500 thousand in the next four to five years (IUBH 2018).

1.3.4.2 Generic Objectives

The mission and vision are followed by the generic and specific goals. Generic goals are not quantified and are more general, while specific goals are quantified and more concrete (IUBH 2018). The objective based on the example of MaHeLeanCon looks like this:

Example

Generic goals: Acquisition of projects and sub-projects by three (few) important customers in the next three to five years.

Subproject A: Support of an SME in entering the Chinese market through consulting and sales activities. Turnover generation of 150 thousand EUR in the next three to five years. Initial acquisition of projects by SMEs.

Subproject B: Process improvement of a global company with the acquisition of subprojects in the area of upstream supply chain management and supplier quality.

Sub-project C: Negotiation training and workshops over the next three years. Generation of a competence centre for negotiations and conflict management. Cooperation with at least five SMEs and creation of an excellence concept for buyers and sellers.

In addition, further goals are the successful implementation of five to ten negotiation trainings as well as the implementation of intercultural workshops for companies.

1.3.4.3 Quantified Targets

The next step is the quantification of the generic goals. The scientists Johnson & Scholes distinguish between longer-term and generic (goals) as well as shorter and quantified objectives for the company (Johnson and Scholes 1997). Quantified goals can basically include sales, financial, quality, logistics, cost and alpha goals (Helmold and Terry 2016a).

1.3.4.4 Core Competencies

The core competencies are absolutely necessary for the implementation. These describe the resources, the skills or the knowledge that lead to a competitive advantage. In the example of MaHeLeanCon, these competencies are an extensive and worldwide network, the many years of experience as well as the expertise in the respective areas. As part of the alignment process, companies need to conduct a detailed analysis of their core competencies. Johnson & Scholes define core competencies as a competitive advantage over competitors through which companies can distinguish and differentiate themselves (Johnson and Scholes 1997).

1.3.4.5 Strategic Implementation of the Objectives

After determining the mission, vision, goals and core competencies, the translation into strategic goals follows. The long-term implementation of these elements is defined as strategic goal setting. Negotiations come into play in the implementation of the strategic goals. In the example of MaHeLeanCon these are mainly in the agreements about hourly rates and effort with the customers, but also about scope, time and quality of consulting and services.

1.3.4.6 Infrastructure

Infrastructure in the sense of strategic management includes not only buildings, machines, plants, offices, resources or employees, but also knowledge and innovations of the company that ensure long-term success (Helmold and Terry 2016a). For this, facilities, buildings, factories or offices are needed, which represent the strategic infrastructure. In addition, other success criteria such as resources, knowledge, experts, name recognition, network or innovations are also of key importance. In the case of MaHeLeanCon, there are offices in Berlin and Munich, and the establishment of an office in China is also being considered. At the moment the company concept refers to a few customers who want to have the expert knowledge and instruments of the consulting company at their disposal. Particularly in areas such as value chain management, supplier management or intercultural management, MaHeLeanCon has been able to secure several unique selling points with an international network of experts (Helmold and Terry 2016b).

1.3.4.7 Performance Review and Execution (Target/Actual Analysis)

The last element of the strategic pyramid is the control of success (control and execution) and a target-performance comparison. A suitable tool for this step is the Balanced

Scorecard (BSC) or an action plan. The instrument of the BSC was already developed in 1992 by the professors Norton & Kaplan. A BSC is an instrument in strategic management and contains four categories (Johnson and Scholes 1997):

- Customer satisfaction
- Financial category
- Internal processes and improvements
- Learning organization

In practice, companies adapt or extend the original four dimensions according to their specific needs (Helmold and Terry 2016a).

Example
In MaHeLeanCon consulting, there are a total of five categories that build on the Norton & Kaplan model but incorporate client-specific aspects for MaHeLeanCon success. The five categories are:

- Customer satisfaction and volume of orders (repeat orders)
- Quality and degree of fulfilment targets (degree of fulfilment in time, costs and resources)
- Cost and financial targets (sales targets, savings, process costs, effort and benefit)
- Resource deployment targets (days, number of employees, cost of employees)
- Internal improvement targets (efficiency improvement and unique selling propositions)

1.4 Negotiations in an International and Intercultural Context

Negotiations in an international context are becoming more important than ever for companies, given the balance of trade in Germany (Federal Statistics Office 2018; Dathe and Helmold 2018). Furthermore, the authors Dathe and Helmold state that internationalisation will continue to advance, especially in countries such as China, Japan or South Korea (Dathe and Helmold 2018). Looking at imports and exports in 2016 and 2017, it becomes clear that Germany was the world export champion in both years. In 2017, more than 1279 billion EUR worth of goods and commodities were exported from Germany to other countries (Federal Statistical Office 2018). The most important countries for exports are the United States of America, France, the People's Republic of China, the Netherlands and the United Kingdom (Federal Statistical Office 2018) (Fig. 1.4). In contrast, goods and commodities worth 1034 billion EUR were imported (Fig. 1.5). Again, in addition to Italy, the United States of America, France, the People's Republic of China and the Netherlands are among the top five countries. As the Federal Statistical Office (Statistisches Bundesamt 2018) further reports on the basis of preliminary results, German exports in 2017 were thus 6.3% higher and imports 8.3%

Fig. 1.4 Germany's five most important trading partners—exports. (Source: Federal Statistical Office (2018). Press release No. 039 of February 8, 2018: German exports in 2017: +6.3% on 2016. Exports and imports reach new record levels. Retrieved 2018-03-15. https://www.destatis.de/DE/PresseService/Presse/Pressemitteilungen/2018/02/PD18_039_51.html)

higher than in 2016. Exports and imports in 2017 exceeded the previous highs of 2016, when goods worth 1203.8 billion EUR were exported and goods worth 954.9 billion EUR were imported. The foreign trade balance ended 2017 with a surplus of more than 244.9 billion EUR. In 2016, the balance of foreign trade had reached 248.9 billion EUR, the highest level ever in Germany's history. In 2016, Germany's current account balance had shown an asset balance of 259.3 billion EUR. The foreign trade balance closed with a surplus of 18.2 billion EUR in the month of December 2017. Adjusted for calendar and seasonal effects, the foreign trade surplus in December 2017 was 21.4 billion EUR (Federal Statistical Office 2018).

Figure 1.6 shows the possibilities of internationalization through own or external resources (Dathe and Helmold 2018). Resources in this sense are buildings, machines or plants. If a company decides to produce outside the borders of Germany within the framework of its own resources, this is referred to as international in-house production (red border). If a company outsources and purchases products or services from suppliers, this is referred to as global sourcing or international outsourcing (Dathe and Helmold 2018).

Figure 1.7 shows the managing director of Midas, Mr. Li, and Dr. Marc Helmold in front of the company's logo in China. Midas is a producer of aluminium profiles for the

Fig. 1.5 Germany's five most important trading partners—imports. (Source: Federal Statistical Office (2018). Press release No. 039 of February 8, 2018: German exports in 2017: +6.3% on 2016. Exports and imports reach new record levels. Retrieved 2018-03-15. https://www.destatis.de/DE/PresseService/Presse/Pressemitteilungen/2018/02/PD18_039_51.html)

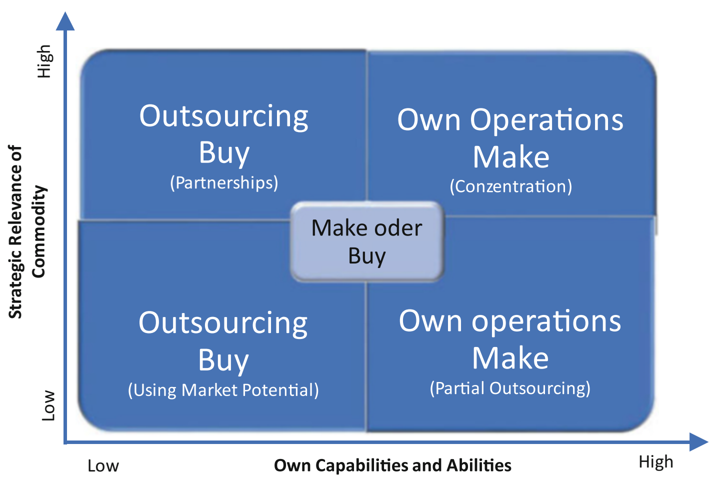

Fig. 1.6 In-house and outsourced production in an international context. (Source: Own illustration based on Dathe and Helmold 2018)

Fig. 1.7 Managing directors Mr. Li and Dr. Marc Helmold. (Source: Marc Helmold (2018). The picture shows the managing director Mr. Li (Midas) and managing director Dr. Marc Helmold, Bombardier Transportation. Midas is one of the market leaders for the sale of aluminium profiles for the construction of trains)

railway, construction and automotive industries, which are sold worldwide. The company has been able to significantly increase sales through a very strong internationalization and expansion of the business (Huang 2017).

1.5 The Win-Win Illusion in Negotiations

In numerous negotiation books and seminars, the win-win concept has been described and offered by trainers for the resolution of conflicts for decades. This concept comes from game theory and is also known in the field of negotiation as the “Harvard concept” and in conflict mediation as “conflict resolution without losers” (Helmold 2018). The principle states that it would be possible to find outcomes through which both parties emerge as winners despite initial conflicting interests (Bauer-Jelinek 2007). Further, the win-win strategy is based on the willingness of negotiators to reach common and lasting solutions by not insisting on superficial positions but revealing their underlying motives. In order to achieve this, all participants must have a high level of communication skills and the atmosphere must be reasonably trusting and harmonious. Even proponents of the theory qualify that win-win is all the more likely to work if the parties' differences in interests are not too great (Helmold 2018). However, the experience of the authors Dr. Helmold and Dr. Dathe shows that when there are conflicts of interest in business or politics, both parties try to get the respective maximum for themselves, there is rarely a chance for a real win-win for both sides (Bauer-Jelinek 2007). Particularly in the case of budget constraints or projects with several interested parties and providers, negotiating positions are often adopted that are not considered win-win but win-lose. In contrast to the win-win principle, in the win-lose concept there is a negotiating party that is not a winner (Helmold and Terry 2016a).

As long as there are enough people who are not exclusively concerned with their own advantage, but who value a fair balance of interests in negotiations, their attitude can be used on a large scale to assert their own interests. Those who want to extract the maximum (negotiators-maximizers) for their objective drive a deceptive maneuver by appealing to mutual gain (Polwin-Plass 2016). The maximum (lat.: the most) implies the greatest possible negotiation success and the maximum achievement of the negotiation objectives for the negotiator or negotiation maximizer (Bauer-Jelinek 2007). While the fair-minded negotiator is still searching for common ground, the negotiator-maximizer has already presented his positions. And if he is good at the win-win technique, the "do-gooder" only realizes much later that his gain is worth nothing or less (Bauer-Jelinek 2007).

Example

The following case study is intended to explain this situation in more detail (Bauer-Jelinek 2007). An employee in procurement or sales has worked in a company for two years and has achieved significant success in reaching his budget targets. The savings have fundamentally improved the department's bottom line. The employee has several years of work experience, but has been with the company for two years. As part of his performance review, the employee expects to receive a bonus or salary increase as a result of his savings. He expects the supervisor to approach him, but the supervisor does not approach the employee. As a result, the employee decides to approach the supervisor, but the supervisor has his own goals in mind and wants to appease the employee with a "win-win deal." With the budget savings, a new sales employee is hired to handle the heavy workload. The supervisor puts the employee off until better times and the next fiscal year. He also talks about how additional resources would ensure job security in tough economic times. In his conversation, he emphasizes common interests, especially the well-being of the company in the long run, and ends the conversation amicably. The employee is now in a dilemma. Should he renounce his motive and agree to the offer so that new resources can be hired, or should he continue to press for a raise? Real-life examples like the one just mentioned show that the win-win situation is usually just an illusion. In this case, the supervisor has won the negotiations for himself. Savings and budget achievement help him to further expand his department, while the employee receives no benefit at all (Bauer-Jelinek 2007). His job has not really become more secure and due to his very good performance the individual targets for the following business year may even be increased further (Helmold and Terry 2016a).

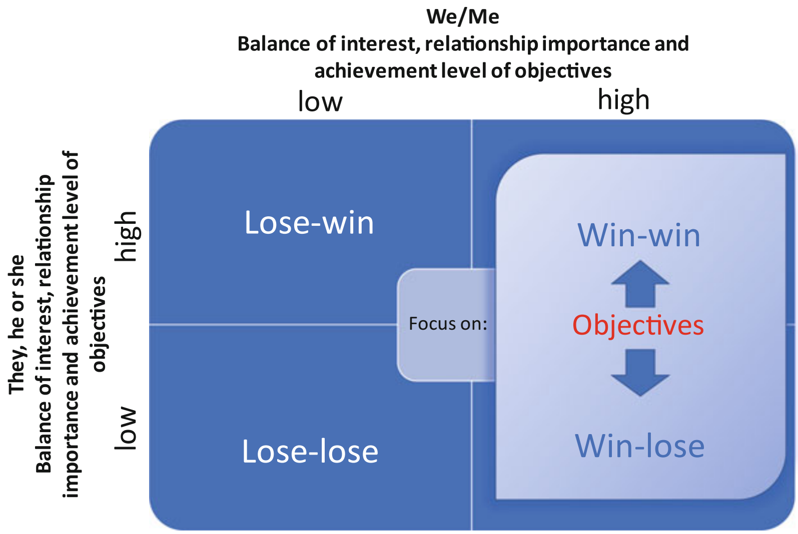

Fig. 1.8 Negotiation concepts win-win, win-lose, lose-win, lose-lose. (Source: Marc Helmold's own representation)

Figure 1.8 shows the respective concepts win-win, win-lose and lose-win in negotiations. If there is a high balance of interests between both parties and a high degree of goal achievement by both sides (ME and HE/SHE as negotiating partners or opponents), a win-win situation has been achieved. However, if one of the parties is not completely satisfied because the objectives have not been achieved to full satisfaction, this is referred to as a win-lose or lose-win situation.

Often the boundaries between the concepts are fluid and target achievement levels can underlie dynamic, macro- or micro-economic changes.

Example

In a multi-million EUR project in the transport sector, which had dragged on for several months in terms of negotiations, the contract was awarded to the company of the author Dr. Marc Helmold. In the final stages of the negotiations, the customer, a state-owned company, reduced the bid price by more than ten percent and the product launch was scheduled for a minimum period of a few years. The agreement meant that the project had to be bid below cost (long-term price floor). Had the author's company not agreed to these demands, the project would have gone to a competitor from the Far East. Despite winning the bid, one could not really speak of a win-win, especially due to the drastic financial losses. However, a "not all lost" lose-win could be achieved from a "total" lose-win, although the project was below the price floor (Helmold 2018). However, it was possible to use existing capacity that would otherwise have been underutilized, which in turn would

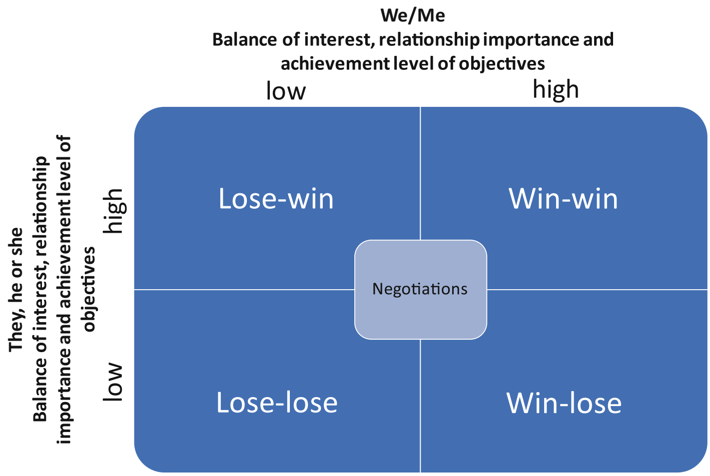

Fig. 1.9 Win-win or win-lose at the heart of negotiations. (Source: Marc Helmold's own representation)

have freed up staff. Furthermore, it was possible to work with an efficiency program and stakeholders on cost optimizations in the value chain. The authors therefore recommend targeting a negotiated outcome that takes into account one's own needs and focuses on one's own goal achievement (Dathe and Helmold 2018). Figure 1.9 shows the target corridor of negotiations with the aspiration to put one's own points and interests in the foreground (Helmold and Terry 2016a).

1.6 Negotiations in Different Cultures

In the course of globalization and liberalization of markets, the exchange of goods and services has steadily increased, as shown in Figs. 1.4 and 1.5 with imports to and exports from Germany (Dathe and Helmold 2018). This has also led to cross-national and cross-cultural business contacts. Successful communication and negotiation are already complicated in one's own culture. When it comes to cross-cultural negotiations with different foreign partners, this fact is amplified even more (Dathe and Helmold 2018). This is because each culture has its own peculiarities, its own methods of negotiation, its own rules of the game, which are foreign, unknown or perhaps even incomprehensible to us. That is why intercultural competence plays a prominent role in international negotiations, alongside rhetorical and argumentative skills. There are enough examples of negotiations failing because there was a lack of understanding of culturally specific business behaviour. In order to reduce misunderstandings and intercultural pitfalls, it is therefore imperative to get to know and understand the mentality and business culture of the other party. In international business transactions, preparing for a negotiation not only

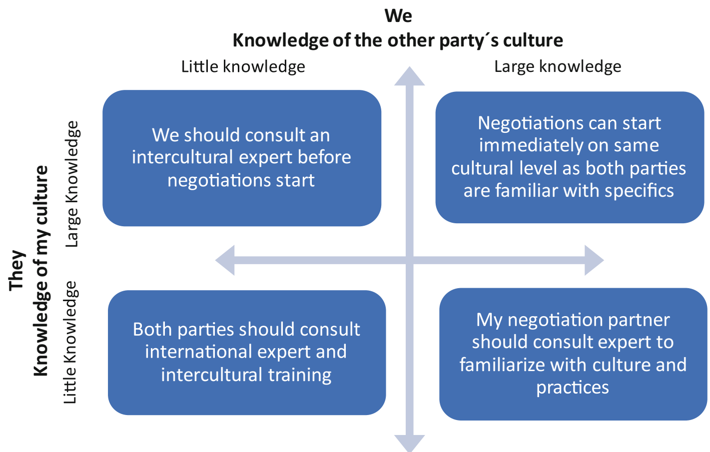

Fig. 1.10 Negotiation strategies in different cultures. (Source: Marc Helmold's own representation)

requires dealing with the product, the market situation and the supplier. Often expectations and negotiation goals are different, so these aspects need to be analyzed in detail at an early stage (Lanz 2018). Also, relationships, good or bad, or relationship building in an international context are also understood differently, as Liker & Choi state (Liker and Choi 2004). They also have to deal with the country itself and with the customs and cultural conditions there in order to be successful (Helmold et al. 2017). Chapter 7 shows which traps (icebergs) and opportunities (icebreakers) exist in different countries such as Germany, the United States of America, Great Britain, India, China, Japan or France. Figure 1.10 gives recommendations on how to proceed in international negotiations. If both partners have detailed and in-depth knowledge, negotiations can be successfully conducted on an equal footing. However, if neither side has any experience or knowledge of the other culture, it is advisable to involve experts.

Culture, according to Hofstede, is "the collective programming of the mind that distinguishes members of one group or category of people from another" (Hofstede 1991). Following Geertz, culture is the way in which people communicate, transmit and develop their knowledge of attitudes towards life. Attitudes are based on determinants such as language, values, norms or other aspects. Culture is the pattern of meaning-making within which people interpret their experiences and guide their actions (Geertz 1973). Culture is an important phenomenon and element in international negotiations, as Dathe & Helmold state (Dathe and Helmold 2018). All people live in and develop a specific culture. Culture structures a field of action specific to the population, ranging from objects created and used to institutions, ideas and values. Culture always manifests itself in a system of orientation typical of a nation, society, organization or group. This orientation system is formed from specific symbols (e.g. language, religion, norms, rules, gestures, facial expressions, clothing, greeting rituals) and is handed down in the respective society, organisation or group, i.e. passed on to the next generation. The orientation system defines

Fig. 1.11 Cultural elements in international negotiations. (Source: Marc Helmold's own representation based on Hofstede 1991)

for all members their belonging to the society or group and enables them to cope with their own environment. Culture influences the perception, thinking, values and actions of all members of the respective society. In the international context, cultural understanding and sensitivity are important aspects. In Asian countries such as Japan, it is not advisable to talk about personal matters, and people should address each other by their last names. A pat on the back, a greeting kiss or even a handshake are not customary in Japan. What is correct is a slight bow with a straight back. There are subtle differences: Those lower in the hierarchy bow lower. Older people are above younger people, guests are above hosts, men are above women. In business, usually only the seller bows, the buyer may limit himself to a nod. Failure to do so usually leads to an unsatisfactory negotiation outcome. The most important elements are shown in Fig. 1.11 and will be presented more clearly and country-specifically later on (based on Helmold 2010):

- Language
- Values
- Standards
- Understanding equality and diversity
- Religion
- Customs
- Laws

- Understanding time
- Emotionality and rationality
- Group understanding

1.6.1 Hofstede's Understanding of Culture

The Dutch cultural researcher Geert analysed extensive empirical data from the employees of IBM in 74 countries between 1967 and 1976. Based on this database, he later developed a cultural model called VSM (value survey model), in which he defined the dimensions of cultures using statistical methods (Hofstede 1980, 2007). This model is still frequently used today in academic research in the field of intercultural communication as well as in business practice (Dathe and Helmold 2018).

Hofstede's understanding of culture is described as *"the collective programming of the mind"* that divides people into the different cultural groups and considers cultural values as the core elements of cultures (Hofstede 1980, 2007). These can be divided into the following dimensions in the VSM model:

- Power distance
- Individualism vs. collectivism
- Masculinity vs. femininity
- Uncertainty avoidance
- Long-term orientation
- Indulgence vs. restraint (Hofstede 1980, 2007).

1.6.1.1 Power Distance

Power in a society is always distributed unequally. The power distance stands for the difference in the power position of individuals that is accepted by those members of society with little influence. This measure describes the extent to which society is willing to accept general inequality (Hofstede 2007). In a culture with low power distance, there is always an attempt to minimize inequality among people. In contrast, in cultures with high power distance, inequality is seen as normality. Behaviour against the hierarchical rules is seen as a violation of the social rules and is punished.

In a culture with a small power distance (this includes Germany), managers in companies tend to involve employees in operational decisions and strive for equal treatment of all employees.

In contrast, in cultures with large power distance, a hierarchical structure can be observed in almost every sphere of life. Although it is well known that unchecked power leads to abuse of authority or corruption (Chia et al. 2007; Lee and Oh 2007), the power of formal authorities remains unchallenged in people's minds. Corporate rules such as unpaid overtime are also rarely questioned. In companies, managers are seen as decision makers for the general interest. Decisions are usually made without direct involvement of employees. The authority of superiors is not openly challenged, i.e. not only their formal decisions but also their statements at meetings are not questioned, especially in public. Status-related highly unequal pay is also generally accepted (Dathe and Helmold 2018). In business negotiations, it is therefore advisable to (1) identify the decision-maker as soon as possible and (2) treat the decision-maker with more formal respect or special attention, for example, the gift presented to the decision-maker should be somewhat more lavish compared to the others. Disagreements should be well packaged. Direct contradictions should be avoided as far as possible.

1.6.1.2 Individualism Vs. Collectivism

In an individualistic society, individuals strive for self-determination. In a collectivist society, on the other hand, individuals tend to identify with their social positions. For the common good of the group, members are often willing to accept certain inconveniences in their own lives or to "bend the rules".

Another consequence of collectivism is shorter interpersonal distance. Sometimes the curious questions border on an invasion of privacy for the more individualistically minded. For good intercultural communication, however, it is advisable not to react harshly in such cases, but to give information with tact in the "harmless questions" in favour of building a good personal relationship, or to skilfully sidestep the "unpleasant questions" without offending the other person.

1.6.1.3 Masculinity Vs. Femininity

Traditionally, professional success is seen as a masculine virtue and caring for each other in society is seen as a feminine virtue. This cultural dimension describes whether a society is dominated by masculine or feminine values (De Mooij and Hofstede 2010).

In contrast to a masculine society, in which individual success often has a high priority, interpersonal cohesion plays a significant role in a feminine society. Such feminine values can be observed above all in the family circle or in unofficial group formations in professional life. The members of such groups often do their utmost to gain advantages for each other, for example in the allocation of jobs, promotions and salaries, or adopt a common defensive position in conflicts with non-members of the group. This phenomenon could go so far that employees in the company do not seek out those in charge when problems arise, but rather, if possible, those close to the person in charge who are known (Dathe and Helmold 2018).

From this one can deduce: (a) the confirmation of the successes of the negotiating partners promotes the mood of the conversation and (b) good relationships are often particularly valuable to invest in.

1.6.1.4 Uncertainty Avoidance

Many Germans feel uncomfortable when the consequences of their actions are unclear. In other words, German culture exhibits a high degree of uncertainty avoidance (Hofstede and Hofstede 2011; Dathe and Helmold 2018).

In a culture with high uncertainty avoidance, a conscientious way of working is also valued, but this does not mean that one can always expect formulated rules and formalities for the completion of one's tasks (Hofstede and Hofstede 2011; Dathe and Helmold 2018). In terms of negotiation, it means that business partners from these cultural backgrounds are not solely concerned with technical data, but there are a number of other factors that influence their business decisions, such as adaptability as well as a willingness to be accommodating with the potential business partner.

Although the ambiguity of information often causes stress among Germans, patience is sometimes indispensable for success on the international market. It should not be ignored that the low uncertainty avoidance also results in positive effects such as higher acceptance of new technologies.

1.6.1.5 Long-Term Orientation

Long-Term Orientation describes the willingness to invest in one's own future (Hofstede and Hofstede 2011). In cultures with a long-term orientation, entrepreneurs attach great importance to long-term business relationships. For a promising business relationship, business partners are often willing to take higher risks (Dathe and Helmold 2018). Such a gesture is often portrayed as personal and should be met with a corresponding gesture of appreciation.

1.6.1.6 Indulgence Versus Restraint

In a society with a high IRV (indulgence) value, individuals often extrovert their joy and other human emotions. There is a more lenient approach to morality. Pleasure, idleness and a rather relaxed approach to one's own physicality characterize the society.

In a society with a low IRV value (restraint), on the other hand, a high value is placed on a sense of duty. On the other hand, there is less tolerance for human desires and impulses. Professional duties clearly take precedence over private life. In order to help the family achieve a higher status through financial achievement, millions of Chinese migrant workers leave their homes to work in a factory in a distant city. This leads to social problems for the family members left behind, such as child neglect and loneliness among the elderly.

1.6.2 Cultural Understanding According to E. T. Hall

In this section, Chinese culture is further outlined in the cultural model of the American anthropologist and ethnologist Edward Twitchell Hall Jr. In his research in the field of intercultural communication, Hall describes cultures in the following facets:

- Context orientation
- Monochronic vs. polychronic understanding of time
- Spatial awareness.

1.6.2.1 Context Orientation

Context orientation is Hall's way of describing the communication style of information acquisition or information processing. In cultures with a weak contextual orientation, information is communicated explicitly. The communication participants interact directly with each other and try to provide information as precisely as possible, while personal relationships do not play a significant role. In general, German culture is considered to be a culture with weak contextual orientation (Hall, Beyond culture 1976).

In a strongly contextual culture, much of the information is not explicitly encoded in the linguistic messages, but is assumed to be common knowledge through the relationships of the communication participants. The contextual factors such as the personal relationships, the facial expressions of the interlocutors or the circumstances of their encounter are among important carriers of information (Hall, Beyond culture 1976).

To illustrate the contextual relevance in communication, some situations in communication with British people are listed in Table 1.1.

Table 1.1 Examples of contextual reference: Communication with British people (English)

What the British say	What the British mean	What foreigners understand
I hear what you say	I disagree and do not want to discuss it further	He accepts my point of view
With the greatest respect	You are an idiot	He is listening to me
That's not bad	That's good	That's poor
That is a very brave proposal	You are insane	He thinks I have courage
Quite good	A bit disappointing	Quite good
I would suggest	Do it or be prepared to justify yourself	Think about the idea, but do what you like
Oh, incidentally/by the way	The primary purpose of our discussion is	That is not very important
I was a bit disappointed that	I am annoyed that	It doesn't really matter
Very interesting	That is clearly nonsense	They are impressed
I'll bear it in mind	I've forgotten it already	They will probably do it
I'm sure it's my fault	It's your fault	Why do they think it was their fault?
You must come for dinner	It's not an invitation, I'm just being polite	I will get an invitation soon
I almost agree	I don't agree at all	He's not far from agreement
I only have a few minor comments	Please rewrite completely	He has found a few typos
Could we consider some other options	I don't like your idea	They have not yet decided
WHAT THE BRITISH SAY	WHAT THE BRITISH MEAN	WHAT FOREIGNERS UNDERSTAND

Source: http://www.telegraph.co.uk (The Telegraph 2017)

One can see that contextual reference in communication can easily mislead strangers.

If a culture is strongly characterized by a high degree of context orientation, an abundance of unspoken rules or information applies in communication. It may even be the case that key business strategies are agreed over an informal lunch among selected participants rather than in formal meetings with the people responsible for the organisation. For long-term business success in such cultures, it is important to develop a good sense of context in the partner companies and to behave accordingly.

1.6.2.2 Monochronic Or Polychronic Understanding of Time

German culture is considered to be a typically monochronic culture. This means that it is common practice in Germany to complete work steps one after the other. In doing so, one strives to adhere to a predetermined schedule (Hall 1983).

In polychronic cultures, however, people are more accustomed to carrying out several activities at the same time. On the one hand, this has the consequence that one is susceptible to distractions, but on the other hand it makes one react quickly to changes. In contrast to monochronic cultures, for a polychronic culture the schedule is merely a reference (Hall 1983).

These contrasting characteristics of cultures often lead to conflict or frustration in international cooperation. A good solution is to understand the reason for the counterpart's actions and to show understanding. Only with friendly intention and patience can it be possible to make the counterpart understand one's own point of view.

1.6.2.3 Understanding of Space

For Hall, there exists an invisible, circular space around each person that is perceived as their privacy. The extent of this space varies from culture to culture. If the perceived, appropriate distance is undercut by the counterpart without permission, this usually triggers discomfort in communication. But if the distance is clearly exceeded, this can be interpreted negatively, for example as a lack of trust or even hostility (Hall 1966).

A related concept to Hall's understanding of space is the concept of territory, that is, the places or the objects that a person considers his or her personal property, an extended private sphere. The intrusion of territory can trigger hostile reactions (Hall 1966). Territory can vary widely across cultures. Knowledge of the negotiating partners' understanding of space is important in order to avoid misunderstandings, especially in international communication.

1.7 Negotiations in Business: Buyer-Seller Relations

1.7.1 Buyer and Seller: Customer and Supplier

The majority of negotiations take place in national or international trade between companies (Helmold and Terry 2016a). When the customer's purchasing and the supplier's sales face each other, the aim is to transfer a product or a defined service under the best possible conditions (Helmold and Terry 2016a). By their nature, the respective "optimal conditions" from the perspective of a buyer are different from those from the perspective of a seller, so that controversies usually arise that are to be resolved in the course of negotiations. It is therefore imperative for procuring and selling companies to acquire skills and knowledge in order to optimally place and implement their position and demands. Figure 1.12 shows the buyer-seller relationship with the aim of both parties to reach a negotiation conclusion with the best possible outcome for each party.

1.7.2 Negotiation Objectives

Targets between trading partners usually refer to the sales price. However, there are other important determinants besides the sales price. These include, in addition to the price, i.e. the purchase or acquisition costs for the buyer, quality, delivery performance and technical aspects (Q-K-L-T = quality-cost-delivery-performance-technology). Within this classification, the most important goals can be defined. Should other objectives be of interest in addition, one speaks of the alpha (Q-K-L-T + α). Alpha is the first Greek letter α in the Greek alphabet. Alpha elements can be, for example, ethics requirements that the supplier must meet in order to be allowed to sell goods and services to a customer. Other aspects may be employee training or the implementation of specific information systems for connectivity (Helmold and Terry 2016a). Figure 1.13 shows the categories that are central to business negotiations. Figure 1.14 lists subcategories as examples and describes them in detail in Sects. 1.7.3, 1.7.4, 1.7.5, 1.7.6, and 1.7.7.

It is of importance for the vendor to consider the most important trends in purchasing and the requirements they necessitate. In a survey with purchasing managers and decision-makers in supplier management, five important trends were identified (Helmold and Terry 2016a):

- Centralization
- Internationalization
- Rotation principle
- Digitisation (e.g. online auctions)
- Strategic supplier management

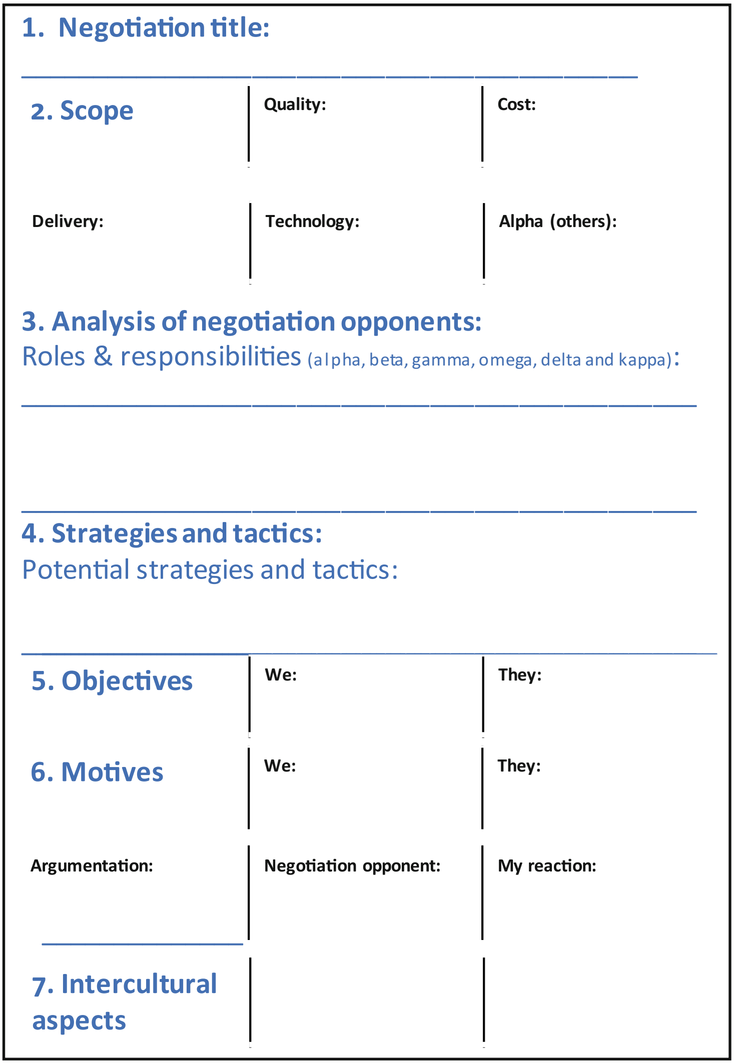

Fig. 1.12 Buyer-seller relationships. (Source: Marc Helmold's own representation)

The rotation in purchasing is intentionally very high. Many a buyer does not sit in his post for more than two years. Then he changes the category and the suppliers with whom he has business relations. Because otherwise he could build up an emotional bond with the supplier and possibly no longer only look at the price. But the sales department on the supplier side often relies on this emotional bond.

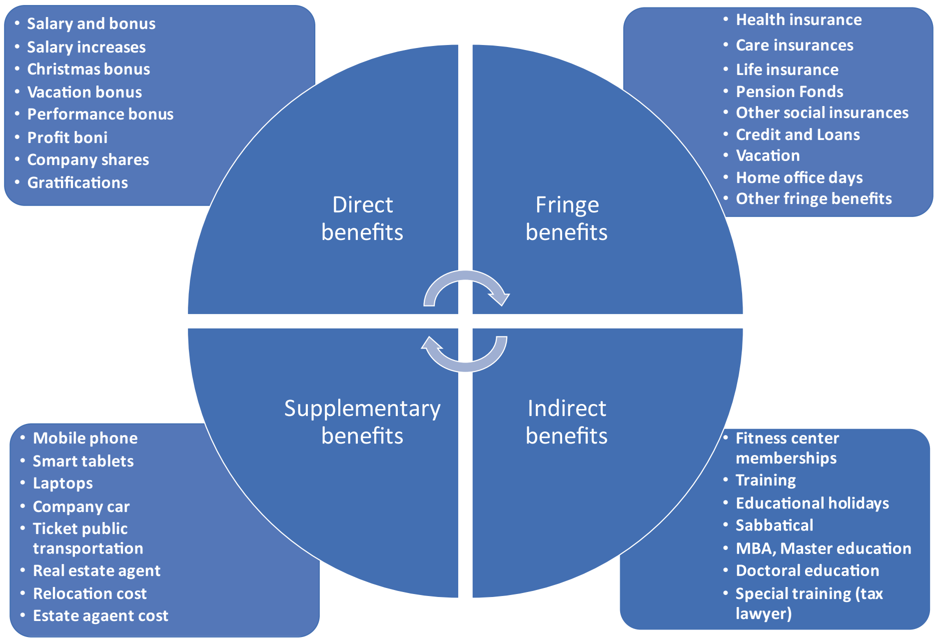

Fig. 1.13 Bargaining leverage in business negotiations: Q-K-L-T plus alpha. (Source: Marc Helmold's own representation based on Helmold 2010)

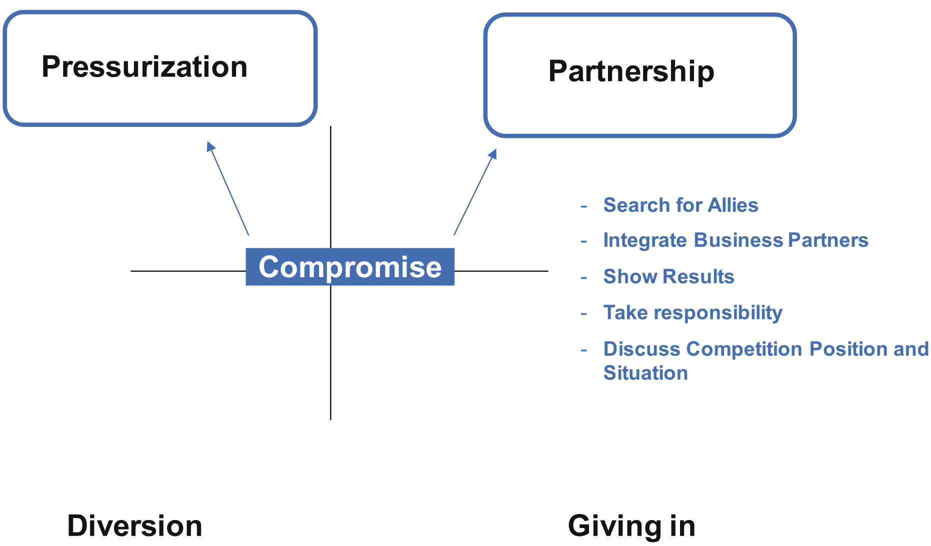

Fig. 1.14 Q-K-L-T typology in negotiations. (Source: Marc Helmold's own representation based on Helmold and Terry 2016a)

1.7.3 Quality Objectives

Quality targets must be clearly defined in contracts. As a rule, a distinction is made here between delivery quality and quality in the field or at the customer's premises within the scope of the warranty.

1.7.3.1 Delivery Quality

Quality and condition of the goods upon delivery. By law, the buyer (customer) is obliged to randomly check the delivery quality upon receipt of the goods.

1.7.3.2 Field Quality

Quality level of goods and products that are with the customer. Companies usually measure this on the basis of voluntary or statutory warranty claims.

1.7.3.3 Defective

Number of bad parts in relation to all parts and goods delivered.

1.7.3.4 Quality Management Systems

A quality management system includes external certification by authorized certifiers (e.g. Technical Inspection Agency, TÜV). Many new customers insist on this certification (e.g. DIN EN ISO 9001:2015) from their suppliers, which can involve costs in the higher six-figure range.

1.7.4 Cost Targets

Cost targets include all expenses that are necessary for the procurement of goods and services (Helmold and Terry 2016a). In addition to direct procurement costs (unit price), there are indirect expenses (qualification, construction of a machine) that are closely linked to procurement.

1.7.4.1 Escalation

Escalation are annual cost increases on the part of the supplier. Mostly, these are justified with inflation and higher operational costs over the project duration.

1.7.4.2 Running Costs

Acquisition and support of 10 to 15 customers (SMEs) in the areas of market entry and process improvements and generation of a turnover of up to 500 thousand EUR in the next four to five years.

1.7.4.3 Payment Targets

A payment term is the agreed time of payment for the delivery of goods and services. The payment term has a direct impact on the liquidity (cash flow) of the company. Very good companies have very short payment terms with their customers (payment on delivery) and longer terms with their suppliers, e.g. 60 days.

1.7.4.4 Qualification Costs

Cost of qualifying a supplier to understand the customer's quality system, customer requirements, specification and processes.

1.7.5 Logistics Objectives

Logistics components can account for more than 40% of the unit price of goods deliveries, especially in international freight transport (Helmold and Terry 2016a). Transport, packaging and customs clearance must therefore be taken into account in negotiations. In addition, logistics concepts exist to ensure delivery performance, e.g. vendor managed inventory (VMI), where suppliers are responsible for inventory management (Helmold and Terry 2016a).

1.7.5.1 Packing

Costs for packaging the goods. Packaging primarily serves to protect the goods from damage.

1.7.5.2 Transport and Logistics Costs

Costs for packaging, transport service, storage and customs clearance.

1.7.5.3 Logistics Concepts

Customers expect high delivery reliability and usually have delivery concepts such as just-in-time (JIT). This delivery flexibility will also have an impact on the cost structure.

1.7.6 Technical Objectives

Much of the negotiating mass is negotiated at a very early stage. At this stage, it is important to consider technical elements that have a direct impact on the budget and costs (Helmold and Terry 2016a).

1.7.6.1 Development Services

Commissioning of external companies for the complete or partial development of products with performance features of the customer.

1.7.6.2 Technical Changes

In most cases, engineering changes entail cost increases that have to be negotiated. Usually, the discussions take place between the engineer or technician and an experienced sales manager. In this context, it is advisable to also train technicians and engineers through sustainable training.

1.7.6.3 Design-to-Cost

Contracting of external companies for the complete or partial development within the framework of a set budget and target price.

1.7.7 Alpha Goals

Alpha goals are any goals that do not fall into the category of quality, cost, delivery performance, or technology.

1.7.7.1 Ethics Goals

Corporate ethics (Corporate Social Responsibility, CSR) includes universally valid norms and values of a company, according to which companies want to act, especially by acting responsibly towards society. The company transfers these principles to employees and other stakeholders such as suppliers. Ethical principles often aim at respecting human rights, creating reasonable and safe working conditions, protecting the environment and sustainable business (Helmold 2010).

1.7.7.2 Competence Goals

Competence goals encompass the skills of employees through a systematic and structured corporate culture of lifelong learning.

1.7.7.3 Other Alpha Targets

Alpha goals are multifaceted and can be developed from a wide variety of negotiators' motives for negotiating (Helmold 2010).

1.8 Interviews as Negotiations

Even if every interview proceeds differently, many patterns can be identified among HR professionals. The interview can be divided into eight phases (Köhler 2007). Personnel managers are usually not trained negotiators, so they proceed according to a standardized procedure. Furthermore, HR managers are not the decision makers but only the influencer in job interviews. The decision makers are the budget managers and division managers, although depending on the size of the company, decisions may also be delegated to middle management. An interview usually lasts one to two hours. The interview usually includes a

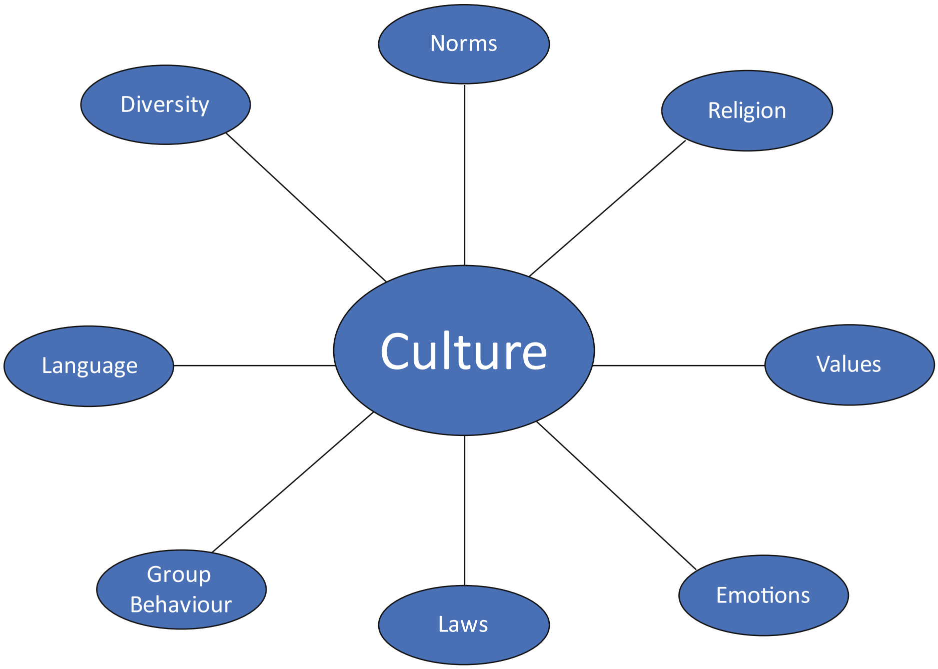

Fig. 1.15 Phases of an interview. (Source: Marc Helmold's own representation based on Köhler 2007)

pre-selection of suitable candidates by the division manager. Figure 1.15 shows the eight stages of an interview.

1.8.1 Phase 0: Market Intelligence and Research

When invited to an interview, the applicant should have obtained information from the other party. This includes participants and functions, in particular the specialist departments and the people taking part. Furthermore, backgrounds and responsibilities can also be found through relevant networks. In addition to people, current projects, customers and markets should be researched that could be related to the task and position. An applicant for a purchasing position should, for example, know the procurement scope and procurement countries of the tendering company in order to sell himself/herself in the best possible way. Opening up new markets can bring potential and opportunities for advancement. Finally, one should know one's market value, and possible fringe benefits such as company cars or further training can be explored in this preliminary phase (Köhler 2007; Fig. 1.16).

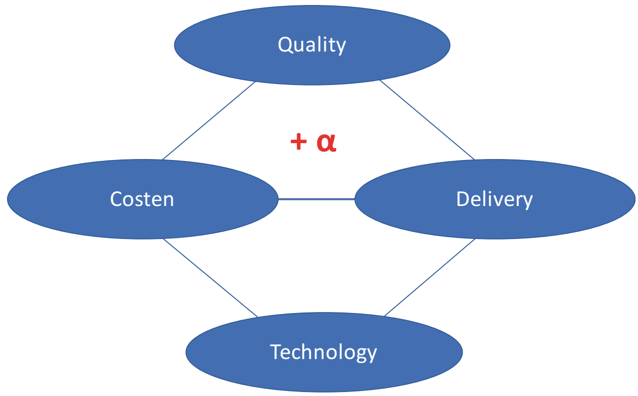

Fig. 1.16 Aspects to research before the interview. (Source: Marc Helmold's own representation)

1.8.2 Phase 1: Welcome and Start of Negotiations

Job interviews and other negotiations begin with the "warm-up" and the greeting. Usually the candidate is assigned a seat and offered a drink. In this phase, getting to know the candidate and the first assessment take place. Usually in the form of a small talk, the first "feeling out" takes place, the first assessment of how the interview partners appear to each other, whether they like each other, a positive (or negative) first impression is created. Typical questions in this phase are, for example (Köhler 2007):

- "Did you find your way here well?", "Did you arrive by train or car?". Always answer positively, because of course you have prepared well and confidently found the way.
- "How do you like our city, our region, our new building?" Answer positively, without exaggerating.
- "Would you like something to drink?" You should agree to this question, alcoholic beverages are taboo.

As soon as you meet the recruiter, you introduce yourself briefly by shaking hands and saying your name. You ask the applicant, for example, "How was your journey?", "Did you find your way here okay?" or "Such nice weather today, isn't it?". Here you should answer with friendly words and chat a little—on the one hand for sympathy points and on the other hand to relax yourself (Köhler 2007). According to a study, it is decided in the first 90 s whether a candidate comes across as likeable and emphatic or not (Köhler 2007).

1.8.3 Phase 2: Own Idea

In the phase of one's own introduction, one is predominantly asked to introduce oneself in a few minutes. Since everyone has usually been able to see the CV, an introduction with the most important milestones of five to ten minutes is sufficient. The classic opening for this phase is the phrase, "Why don't you tell us something about yourself?" The interviewer should be given only the information that is important to them. Qualifications, achievements, project results, and the professional experiences that are relevant to the position being sought are important (Köhler 2007).

1.8.4 Phase 3: Company Presentation

In principle, your own introduction is followed by a brief description of the company, the department in which the job has been advertised and the vacant position. In this context, experts recommend listening carefully and taking notes. This information can be used in the self-presentation, because requirements and expectations will be discussed during the interview. Since the candidate must have learned about the company beforehand, one can also carefully interject information into the negotiation. During the company presentation one can score points and shine with special knowledge about projects, information or other developments (Köhler 2007).

1.8.5 Phase 4: Core Negotiation and Motivation

After the warm-up and introductions, the most important phase is the core negotiation. Answers to questions should be brief and thoughtful. Typical questions are, for example:

- Why did you apply for this job?
- What qualifies you for this position?
- Why do you want to work in our company?
- What do you know about our company?
- Why do you want to change jobs?

You should be well prepared for these questions and have a good rationale, as Table 1.2 shows. Trained recruiters use different interview and questioning techniques in the interview. Even if the interviewer asks closed questions (yes/no questions), you should still give reasons for your answer. Answers should be short and structured. In addition to professional qualifications and goals, a recruiter is also interested in the applicant's personality. It is not only important to be able to fill the position competently, but also to fit into the existing team and the company culture.

1.8.6 Phase 5: Negotiations on Material and Organisational Elements

After the discussion on suitability, drive and aptitude, the negotiation on salary, fringe benefits and organisational elements follows in phase 5. The golden rule is to always quote

Table 1.2 Questions and answers in job interviews

Question	Good answer
What interests you about the advertised position?	The tasks and challenge
Why is the company interesting for you?	Excellent and great company, exciting customers
What qualifications do you bring to the job?	Study and experience with examples and successes
Why does this job suit you and your previous career?	Point out experience. Point out possible further training and qualifications

Source: Marc Helmold's own representation based on Köhler (2007)

Table 1.3 Questions and answers in phase 5

Question	Good answer
What are your salary expectations?	Between 75,000 EUR and 80,000 EUR
Do you have any other ideas besides salary?	Company car, paid training, company telephone
When can you start?	Point out notice period and answer with counter question, "when would you like me to start?"
Do you have any other questions or comments?	Refer to a familiarisation plan

Answers to material and organisational questions
Source: Marc Helmold's own representation based on Köhler (2007)

a range from to when stating the salary, as Table 1.3 shows. The analysis of the range according to position, experience, industry and region plays a central role here.

Figure 1.17 shows the possible objectives such as salary benefits, intangible benefits, fringe benefits and additional benefits. In principle, everything may be negotiated and regulated in the employment contract. In most cases, the employer has no right to order further training at the employee's expense without such a regulation, and in principle the employer is in turn not obliged to finance private further training of his employee, even if this presents itself or can present itself as so-called added value for the employment relationship.

Basically, employers as well as employees are interested in the work being done as efficiently as possible. For this reason, many employers also assume the costs of further training for the employee without much discussion or pay subsidies for this. Large companies offer their employees an additional budget from which the employees can finance their own further training in addition to other motivational benefits. The framework conditions of these cost transfers can vary with regard to the travel costs that are often incurred. The employer can claim these further training courses as costs for tax purposes, so that there is an interest on the employer's side. Continuing education can include training with and without a degree. For example, in the context of employment, the costs of training

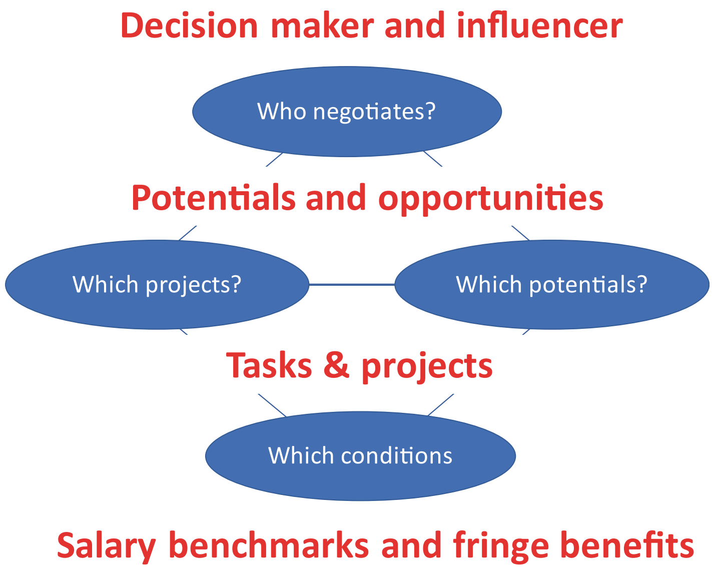

Fig. 1.17 Negotiation goals in job interviews. (Source: Marc Helmold's own representation)

in negotiation techniques, a Master of Business Administration (M.B.A.) or a Six Sigma expert can be included in the negotiations. For executives, it is common to include a bonus, company car and elements of a company pension plan in the negotiation. The values of these elements can amount to more than 50% of the current annual gross salary (Püttier and Schnierda 2014).

1.8.7 Phase 6: Questions and Termination of Negotiations

Even before the negotiations for the vacant position, it is advisable for the candidate to write three to five questions that should be asked when prompted (Püttier and Schnierda 2014). One should not ask questions about aspects that have long been said or clarified in the interview or that one can answer oneself. Also, questions about working hours or vacation time as well as special benefits and salary increases should not be asked (at least in the first interview), because this questions one's own motivation. These things should be secondary or at least initially treated as such (Püttier and Schnierda 2014).

1.8.8 Phase 7: Adoption and Decision of the Outcome of the Negotiations

If you notice that the interview is coming to an end, you should set deadlines and milestones for further action. You can also find out what happens next in the selection process and when you can expect feedback. Once this has been clarified and there are no more questions, the recruiter will thank the candidate and say goodbye. The candidate should thank you for the invitation and say goodbye. In some cases, questions related to travel reimbursement should also be asked. Based on the authors' experience, travel reimbursement should be clarified in advance. If deadlines are not met, it is acceptable to make an inquiry with the HR manager about the status (Püttier and Schnierda 2014).

1.9 Negotiations in the Political Arena and with Non-Profit Organisations

According to the Duden dictionary, politics is defined as "action by governments, parliaments, parties, organisations or similar aimed at achieving certain goals in the state sphere and shaping public life" with the aim of enforcing positions. In the process, tactics are used in negotiations (Duden 2018). Political negotiations, unlike negotiations in business, can also involve threats by different governments to resolve conflicts militarily, as the negotiations between the United States of America and North Korea have shown (Helmold 2018). Political negotiations are not always subject to the same laws as economic negotiations, so the same tactics and strategies cannot generally be used. However, strategies and tactics similar to those used in economics can often be seen (Helmold 2018). Political negotiations are often influenced by an internal or external set of opinions and interdependencies of numerous stakeholders, for example interests of party members or voter groups, whereas companies can usually only implement their own interests. Examples of political negotiations in a national and international context are shown in Table 1.4 (Fetsch 2006).

In politics, negotiations are traditionally conducted by government officials or government representatives who have been mandated to achieve a certain target corridor in order to reach a negotiated outcome. To this end, national and international conferences often

Table 1.4 Examples of negotiations in politics

National negotiations	International negotiations
Coalition negotiations between various parties	Negotiations on the budget of the NATO defence alliance
Struggle over refugee quota by coalition parties	Negotiations between the EU and the USA on punitive tariffs
Negotiations on the use of a surplus in the budget	Negotiations of the free trade agreement with Japan
Negotiations on contentious domestic policy positions	Negotiations between Germany and France on a common foreign policy
Negotiations for important offices within a party	Negotiations on refugee agreement

Examples of negotiations based on Helmold (2018) serve as lateral venues (Fetsch 2006). This type of conference diplomacy is usually organized by international organizations and results in more or less permanent events with a large number of participants. Besides lateral negotiations, there are also bilateral negotiations between two groups, countries or parties (Fetsch 2006). Negotiations at the political level are usually influenced by opinions, stakeholders, voters, lobbyists or the public, so that negotiation results in politics are often misinterpreted, as Brost describes in his interview with M. Schranner (Brost 2017). Negotiations in politics recently also often include organizations from the non-governmental sector in conferences (Fetsch 2006). These so-called non-governmental organizations are non-profit and socially oriented organizations (NGO, Non-Governmental Organizations; NPO, Non-Profit Organizations) that have humanitarian or charitable motives (Fetsch 2006).

Non-profit organisations are not profit-oriented. This means that no profits are paid out to members or shareholders. They try to operate in such a way that all costs are covered. NPOs can be divided into public and private non-profit organisations (Fetsch 2006):

- Associations
- Associations
- Foundations
- Clubs
- Charities
- Churches

Public NPOs are public enterprises as well as public administrations. Between public and private, cooperatives and chambers can be found as NPOs. Good management is also important for NPOs in order to use scarce resources such as manpower or financial resources as effectively as possible. An NGO is usually internationally oriented, an NPO rather regionally. Thus, an NGO has a wider reach and often represents political issues (e.g. development cooperation, human rights, etc.). Especially in this context, negotiations with governments or political organisations are of central importance, as Fetsch states (Fetsch 2006). An NPO is financed by self-generated financial resources, an NGO by membership fees and donations from parties, governments or stakeholders. The work of an NGO pursues the mission of improving the world. The work of an NPO offers services and goods within the framework of a business (Fetsch 2006).

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