

EFFECTIVE COMMUNICATION IN BUSINESS NEGOTIATIONS IN HOSPITALITY

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Abstract: Effective communication is a key element in business negotiations across all industries, but its role is particularly important in the hospitality sector, where customer satisfaction, service delivery, and strategic partnerships define the success of organizations. In the competitive and dynamic hospitality environment, the ability to communicate effectively during negotiations can influence outcomes, build strong relationships, and ensure long-term profitability. This paper explores the significance of effective communication in business negotiations within the hospitality industry, focusing on various communication strategies, methods, and barriers that affect negotiation outcomes. Business negotiations in the hospitality sector often involve diverse stakeholders, such as hotel owners, management, suppliers, corporate clients, event organizers, and service providers. The primary goal of these negotiations is to reach agreements that are mutually beneficial, aligned with organizational objectives, and foster positive, long-lasting partnerships.

Effective communication plays a crucial role in achieving these goals, as it helps participants clearly convey their interests, understand the needs of the other parties, and resolve conflicts constructively. One of the key strategies for effective communication in business negotiations is active listening. In the hospitality sector, this means paying close attention to both verbal and non-verbal cues from partners or clients. By showing attentiveness and empathy, negotiators can better understand the underlying concerns and motivations of the other party. This not only helps in finding common ground but also strengthens the trust that is vital for any business relationship. Another important aspect of communication in hospitality negotiations is the clarity and precision of the message. Misunderstandings or vague statements can lead to confusion, delays, or even the complete breakdown of negotiations. Therefore, negotiators must be skilled in articulating their ideas, proposals, and expectations in a clear and concise manner. Additionally, cultural sensitivity is a key factor when negotiating with international clients or partners.

Understanding cultural differences in communication styles, decision-making processes, and business etiquette can prevent misunderstandings and improve the overall negotiation process. Non-verbal communication, such as body language, facial expressions, and tone of voice, also plays a significant role in the hospitality sector. These non-verbal cues often provide additional insights into the emotions, attitudes, and intentions of the parties involved. Negotiators in the hospitality industry must be aware of their own non-verbal communication while also learning to read and interpret the signals from others. Effective use of non-verbal communication can help create a positive atmosphere, establish good relationships, and promote cooperation. However, several barriers to effective communication may arise during hospitality negotiations. These include language barriers, differing communication styles, and emotional reactions that can cloud judgment and hinder decision-making. To overcome these challenges, negotiators must develop patience, open-mindedness, and the ability to manage conflicts diplomatically.

Keywords: business negotiations, communication, emotional intelligence, partnership relations, hospitality, non-verbal communication, management.

Field: management and business communication

1. INTRODUCTION

Effective communication in business negotiations is crucial for achieving success in all industries, especially in the hospitality sector, which is characterized by a high level of competition and rapid market changes. Hospitality encompasses a wide range of business activities, from restaurants and hotels to cafes and catering services, and in all these segments, business operations depend on quality and sustainable partnerships. For these relationships to be successful, negotiators must communicate effectively, recognize the needs and desires of their partners, and clearly convey their goals and expectations. In today's business environment, where globalization, digitalization, and constant changes in consumer habits require continuous adaptation, the ability to communicate becomes essential for building long-term relationships in hospitality.

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Effective communication not only enables understanding but also helps resolve conflicts, reach compromises, and build mutual trust among partners, which is the fundamental foundation for the successful development of the business. Partnerships in hospitality often involve collaboration with suppliers, distributors, investors, and even competitors, which makes negotiation skills, including active listening, conflict resolution, and clear information transfer, crucial. Every business interaction in hospitality, whether it concerns negotiating prices, delivery deadlines, service quality, or adjusting terms of cooperation, depends on quality communication.

Good negotiators in this sector are not only those who know how to set clear goals and demands but also those who can recognize and understand nonverbal cues, emotional reactions, and subtle changes in conversation, which allows them to better manage the negotiation process. Thus, effective communication becomes the bridge between the theoretical and practical aspects of business, as it enables mutually beneficial agreements and reduces potential misunderstandings or disagreements. This paper will analyze the key factors that make communication in business negotiations in hospitality effective, with a special focus on its role in building and maintaining partnerships. We will study various techniques and strategies that can contribute to better negotiation outcomes, as well as the challenges that negotiators in hospitality face. We will also consider the role of interpersonal skills, such as active listening, emotional intelligence, and nonverbal communication, in creating the foundation for long-term and successful business relationships.

Therefore, effective communication is not only a tool for reaching agreements but also the key to success in the dynamic and competitive world of hospitality. Additionally, the use of technology in negotiations, such as video conferencing and digital collaboration tools, can help bridge communication gaps, particularly when face-to-face meetings are not possible. In conclusion, effective communication is the foundation of successful business negotiations in the hospitality industry. By mastering the skills of active listening, clear messaging, cultural awareness, and non-verbal communication, negotiators can create positive outcomes that benefit all parties involved. Despite the challenges, developing strong communication skills within the hospitality sector can lead to more efficient partnerships, better service delivery, and a competitive advantage in a rapidly developing and changing industry.

2. MATERIALS AND METHODS

For the research on effective communication in business negotiations within the hospitality industry, various materials and methods are used to enable a deeper understanding and analysis of communication processes in this sector.

Materials:

a) **Survey questionnaires** - are used to collect data on the experiences and attitudes of employees and management regarding communication in business negotiations. The questionnaires may cover questions about communication methods, frequency of misunderstandings, key challenges in negotiations, as well as the use of digital tools and technologies.

b) **Interviews with key persons** - conversations with managers, team leaders, and employees help to gain insights into the practical aspects of business negotiations. Interviews allow for a more detailed analysis of the specific communication skills that are most effective in this context.

c) **Case studies** - the analysis of specific business negotiations in hospitality can provide insight into how different communication strategies are applied in practice and their outcomes. Case studies may include negotiations with suppliers, partners, or clients.

d) **Literature and theoretical frameworks** - Using books, articles, and research on communication, business negotiations, and hospitality provides the theoretical foundation for understanding key communication principles and methods.

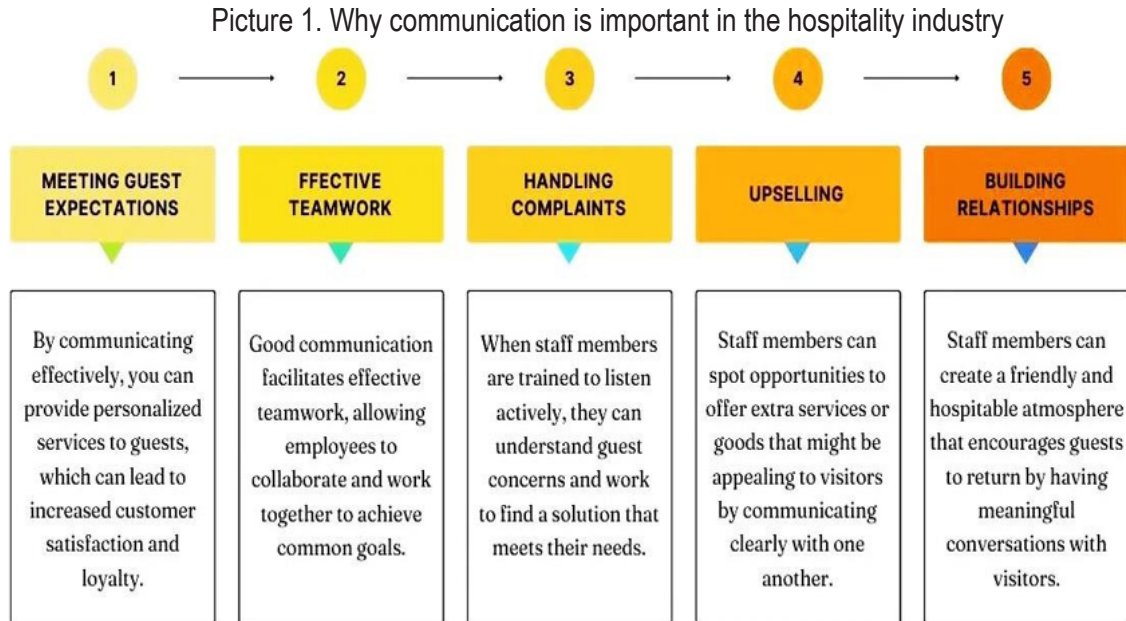
Methods:

a) **Quantitative research** - using survey questionnaires and statistical analysis, the collected data can be analyzed to assess the factors that influence communication effectiveness in business negotiations. Quantitative methods allow for generalizing results to a wider population.

b) **Qualitative research** - interviews and case studies are used for a deeper understanding of the subjective experiences of participants in negotiations. These methods allow for the identification of specific communication challenges, as well as the benefits that arise when effective communication strategies are applied.

c) **Experimental methods** - in some cases, business negotiation simulations may be conducted to examine various communication approaches and evaluate their effectiveness in solving problems and reaching agreements.

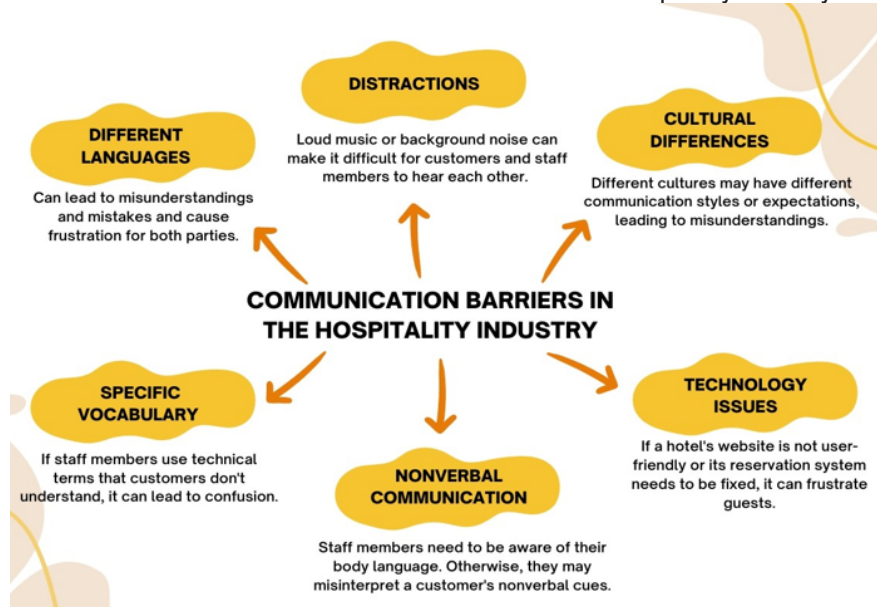
d) **Observation in real conditions** - observing actual business negotiations in hospitality can provide valuable information about how communication occurs in practice, what techniques and styles are used, and what the outcomes of those negotiations are.



Source: <https://completehospitalitymanagement.com/wp-content/uploads/2023/03/communication-importance-hospitality-industry-1.jpg>

By combining these materials and methods, research on effective communication in business negotiations within the hospitality industry can provide valuable insights into how to improve both internal and external communication, which is crucial for success in this industry. However, in today's age, organizational communication has significantly changed alongside innovative technologies, as time has become the most valuable resource. According to (Kimani and Scott, 2023), the term "effective communication" has become crucial in both personal and professional contexts. Furthermore, (Kumar, Billor, and Babu, 2023) define communication as "the process of sending and receiving messages between two parties (individuals or groups), which can be written, verbal, or non-verbal communication (Kimani and Scott, 2023), and the activities of transmitting information through the exchange of thoughts, information, or messages such as signals, speech, behavior, and writing."

Picture 2. Communication barriers in the hospitality industry



Source: <https://completehospitalitymanagement.com/wp-content/uploads/2023/03/communication-barriers-hospitality-industry.webp>

According to (Dainton and Zelle 2022), as well as (Tri Asanti, Dhammasaccakarn, et al, 2020), cultural factors play a key role in communication. The authors (Qin and Men, 2023) argue that the quality and reliability of information, along with two-way symmetrical communication, significantly increase organizational trust among employees. Two-way communication serves two functions: the first provides employees with information about activities, and the second involves employees in decision-making processes. According to (Vercic and Men, 2023), providing feedback, showing care and support, listening, and fostering community and connections are significant aspects. Furthermore, (Kimani and Scott, 2023) emphasize the importance of social, cultural, and technological factors, stating that effective communication within an organization helps build relationships, facilitates understanding among individuals and groups, and resolves conflicts. In the hospitality and tourism industry, it primarily influences customer satisfaction with the tourism product they received, making it essential to develop employees' communication skills to ensure smooth organizational communication. Communication can be divided into internal communication within the company and external communication outside the company. In today's environment, according to (Santos, Augusto et al, 2023), it is very difficult to attract and retain successful and motivated employees, primarily due to the positive work environment, but internal communication is a crucial factor in ensuring employee satisfaction and long-term loyalty.

3. RESEARCH RESULTS

Research on effective communication in business negotiations within the hospitality industry shows that several key factors contribute to successful negotiations in this field, including:

a) **Clear and Open Communication** - Open and transparent communication among negotiation partners is crucial. Clearly setting goals, expectations, and terms helps avoid misunderstandings and contributes to more effective problem-solving.

b) **Active Listening** - Negotiators who practice active listening, meaning they carefully understand the needs and desires of the other party, achieve better outcomes. Research indicates that this enhances mutual trust and helps build long-term business relationships.

c) **Non-Verbal Communication** - Non-verbal cues such as gestures, facial expressions, and tone of voice play a significant role in successful negotiations in the hospitality industry. These signals help negotiators better interpret the attitudes and emotions of the other party, facilitating better agreements.

d) **Communication Culture in Companies** - Organizations that promote effective communication between employees and management, as well as between different departments, achieve better business results. In hospitality, where team coordination is crucial, research shows that open communication within the team can significantly improve service quality.

e) **Use of Digital Tools** - With the advancement of technology, the use of digital tools, such

as emails, video calls, and specialized software, has a positive impact on communication in business negotiations. Results show that digital tools enable faster and more efficient exchange of information, especially in large hospitality chains.

However, when it comes to effective communication, it is essential to consider the opinions of the authors. According to (Adoni and Nimrod, 2020), the use of digital technologies requires specific skills related to interactive communication. These skills, known as digital communication skills, are becoming increasingly important and are expected to be even more critical in the future. This means that individuals will need to possess a higher level of competence in this area. Developing listening abilities is particularly significant, as listening forms the foundation for developing speaking skills, which, in turn, influence other employee competencies. As highlighted by (Ficzere, Haringa, and Weiss, 2023), it is crucial to consider the recipient's personality when developing listening skills, as the listener is confronted with new information, possibly unfamiliar vocabulary, and unknown content while listening to the message. Recent studies conducted in the hospitality industry point to the multidisciplinary nature of internal communication research, which encompasses four communication concepts:

a) **Business Communication** (communication skills of employees are applied for business development),

b) **Managerial Communication** (refers to the communication skills of managers),

c) **Corporate Communication** (formal communication when performing various organizational functions) (Ortega, Gomes, et al. 2023),

d) **Organizational Communication** (the perception of verbal and non-verbal messages within an organization). According to (Chang, Cheah et al, 2022) and (Cheng, Hue et al, 2023), artificial intelligence (AI)-based technologies, such as virtual assistants, robotic butlers, and image recognition systems, are becoming increasingly prevalent in the modern service and experience market. In the tourism and hospitality sector, certain job positions (Varra et al, 2021) require specialized skills rather than general skills in accommodation establishments. It is important to note that information technologies have changed the way we communicate, making it essential to develop new digital skills and competencies. These skills have become crucial for working in tourism, an industry that relies heavily on information (Carlisle, Ivanov, et al, 2021).

The use of digital technologies requires a specific form of literacy, known as interactive communication skills (Adoni and Nimrod, 2020). In the future, the importance of these skills will continue to grow, and individuals will need to achieve higher levels of competence to cope with digital challenges. Technological advancements have led to significant changes in communication methods (Carlisle, Ivanov et al, 2021). Tools like social media, blogs, and YouTube have become essential parts of daily life. It is important to highlight that artificial intelligence (AI) has had a significant impact on communication, enabling the development of new methods for connecting people. Technologies such as chatbots, text-generation tools, and voice assistants have become key in this process. These modern innovations are already showing their benefits, especially in the business world. Communication has a significant impact on company performance, as it can either help or hinder the achievement of organizational goals (Luka, 2024). According to (Sthapit, Ping, et al, 2024), smart technologies can also bring additional benefits to the market. Furthermore, (Luka, 2024) asserts that effective communication with employees improves teamwork, strengthens interpersonal relationships within the company, and reduces the possibility of misunderstandings.

Communication with higher levels contributes to better organizational culture and allows employees to actively participate in solving emerging problems. Differentiation and specialization refer to the distribution of tasks across various sectors. Employees working in the same field often use specific jargon that may not be understood by everyone, which can hinder internal communication within the company. Working in groups on problem-solving tasks, communication games, and situational analysis can help develop skills and knowledge for employees and management, which contributes to improving internal communication in the company. These tasks apply the principles of the Natural Approach to language learning, which emphasizes a relaxed atmosphere for learning and using real materials (Goldhawk, 2023), as well as the principles of Cooperative Learning, where each person is responsible for their contribution to group work.

4. DISCUSSION

Effective communication is a cornerstone of successful business negotiations, especially in the hospitality industry where client relationships, service expectations, and partnerships are key. Here's an in-depth look at the importance of communication in these negotiations and some strategies that can help:

a) **Clear and Open Communication** - in hospitality, the stakes are often high, and misunderstandings can lead to significant issues, such as lost contracts or dissatisfied clients. Effective communication ensures that both parties have a clear understanding of each other's needs, expectations, and terms.

b) **Establishing Trust and Rapport** - trust is fundamental in business negotiations. In hospitality, relationships often extend beyond a single deal and into ongoing partnerships. Developing rapport ensures smoother communication and future collaborations.

c) **Non-Verbal Communication** - in face-to-face negotiations, non-verbal cues like body language, eye contact, and tone of voice play a critical role in conveying confidence and respect. In virtual settings, these cues are still relevant through the way you present yourself on camera or through email tone.

d) **Negotiation Styles and Adaptability** - different parties may have different negotiation styles. Some may focus on hard bargaining while others may take a more collaborative approach. Understanding and adapting to these styles is key.

e) **Clear Documentation** - when agreements are made, clear and precise documentation is necessary to avoid misunderstandings or miscommunications later on.

f) **Conflict Resolution** - even in the best negotiations, disagreements or misunderstandings can arise. In the hospitality sector, it's critical to resolve conflicts quickly and effectively to avoid damaging relationships.

g) **Cross-Cultural Communication** - in the global hospitality industry, understanding cultural differences is essential. Different cultures have varying approaches to communication, and recognizing this can enhance the negotiation process.

5. CONCLUSION

Effective communication in business negotiations within the hospitality industry is crucial for achieving successful results and building long-term business relationships. In the hospitality industry, where service quality and guest satisfaction are at the forefront, the ability to communicate clearly and accurately can significantly impact the success of negotiations. Communication in this sector is not only a tool for exchanging information but also a key factor in achieving cooperation, resolving conflicts, and building mutual trust. In hospitality business negotiations, clearly setting goals, understanding needs, and active listening are fundamental factors that enable successful negotiations. Active listening, which involves deeply understanding the stance and interests of the other party, helps in shaping solutions that satisfy the needs of all negotiation participants. This process not only contributes to better results but also enhances mutual trust, which is crucial for long-term cooperation. In addition to verbal communication, non-verbal cues such as facial expressions, gestures, and tone of voice play an important role in understanding the emotions and attitudes of negotiators, further facilitating successful negotiations. Guest satisfaction is central in hospitality, and effective communication with employees plays a key role in creating a positive working environment. Teams that communicate effectively, share information, and have open communication can better coordinate their activities, which directly impacts the quality of service provided. This aspect of communication also contributes to reducing misunderstandings and mistakes that could negatively affect the reputation of hospitality establishments. Effective communication in hospitality must also encompass technology, which in modern business has become an indispensable factor. Digital tools, such as emails, video calls, and specialized software, enable faster and more efficient information exchange, increasing productivity and reducing the risk of communication errors. Artificial intelligence and automated systems, such as chatbots and virtual assistants, are also playing an increasingly important role in communication with guests and employees, providing faster and more accurate service. However, for successful communication, it is also crucial for managers and employees to develop specific communication skills. In this context, listening skills, adaptability of communication styles, transparency, and flexibility become fundamental prerequisites for effective interaction. Managers, as leaders within the organization, play a special role in shaping the communication culture, as their behavior and communication style set the tone for the entire organization. In conclusion, effective communication in business negotiations within hospitality not only facilitates the achievement of business goals but also builds mutual trust, which is essential for maintaining successful and sustainable business relationships. Through strategic and open communication, the hospitality sector can achieve a high level of employee

and guest satisfaction, which is the foundation for gaining competitive advantages in the market.

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