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CONTRACT NEGOTIATION IN NEW ZEALAND

by

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## ABSTRACT

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To date, in vivo studies of the process involved in the negotiation of industry contracts has been scarce. This research was an attempt to rectify this point. As such, the research aims were three fold. Firstly, to provide an integration of the many negotiation elements purported to influence negotiation success. Secondly, to develop a set of scales based on the negotiation literature, that would effectively discriminate between negotiators. Thirdly, to validate the derived scales against reality based information.

Seventy-five Managers involved in the negotiation of contracts in industry, from twenty-three of New Zealand's top Companies, comprised the research sample. Each subject completed a 50 item questionnaire, based on current negotiation literature relating to the negotiation of contracts in industry.

Information obtained from the completed questionnaires was factor analysed to 10 factors. These 10 factors were used in two discriminant analyses. The first discriminant analysis related to company size, with each participating company classified, via a composite criterion of Net Profit, Ordinary Shareholders Funds, and Total Tangible Assets into groupings of Top, Middle and Bottom companies. The relevant information pertaining to this classification was drawn from the 1979 Edition of the New Zealand Economist. The second discriminant analysis was conducted between the four Managerial functions of Production, Purchasing, Marketing and Chief Executives. Information relating to this classification was drawn from the completed questionnaires. The results demonstrated that the 10 derived factors effectively discriminated between companies of various sizes and between managerial functions in terms of negotiation style and orientations adopted toward negotiation.

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