# COMPROMISE AS THE INSTRUMENT OF INCREASED SUCCESS

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**Abstract.** *The fact is that we live in a world of great turbulence, interdependence and complexity. Any individual or parts stand in iterative relations with other parts of the organization, or the environment. It turns out that no one is self-sufficient, but that everything is in constant and rapid motion, i.e. in relationship of dependency and causal relationships. In these new circumstances, it is necessary to introduce new concepts and approaches to the organization of joint life and work. It is shown that compromise is one of the best instruments to achieve the above goals, but also to increase business success. In traditional organizations and management compromise was not considered and did not receive proper attention. Exclusivity used to be the dominant style in the design of individual modes of organization, which is natural, because classical organizations were based on antagonism between owners and workers, states and organizations, etc. In these circumstances, any insistence on compromise was considered harmful and a sign of weakness, rather than concept that should increase effectiveness.*
*This paper aims to highlight compromise as a new quality in strategic management of the systems and the necessity of its application in modern conditions, as well as the attitude of the governing elite in Serbia towards compromise.*

**Keywords:** *compromise, exclusivity, malignant exclusivity, compromise in Serbia.*

## 1. NECESSITY OF COMPROMISE

However, it can be concluded that exclusivity, i.e. unwillingness to make concessions very dangerous for individuals and organizations. Everyday practice shows that 'too large antlers are a group of properties that can be called smart for one, dumb for the other.' [1] Accordingly, compromise and the ability to go toward solving the problem, or the elimination of the causes that can cause problems is more acceptable. In other words, compromise should be pursued, but whether it will be reached depends on a number of facts and situations.

Compromise is in the subconscious of every man. If someone is treated right, he feels the need to reciprocate in the same way. Compromise has a special place in business, or in the negotiations with people with whom we intend to do business in the long run.

Compromise is one of the most powerful weapons in the business world. The law developed specific techniques for resolving disputes, such as conciliation, mediation, mediation teams to coordinate, etc. General's efforts tend to point out to interested parties the necessity of giving up their maximalist demands, in order to come up with a solution where each partner or party is a winner, if there is an agreement. Another way to achieve compromise is when the parties have defined the arbitral authority to rule, providing that partners agree in advance that they will respect his decision. Any dispute can be resolved through legal means, i.e. through laws, but this is the worst solution because it is the result of authority being imposed by the state or other institutions. The question is whether here we can speak of compromise in the first place?

Compromise is mostly applied in negotiations, but it is also applied in everyday life. Wherever he appears, compromise means to give away something in order for both sides to be satisfied and reap benefit. Love is impossible without compromise, and it actually means to give up some of our demands in order to gain the trust of another person. Courtship is already the beginning of the process that leads to compromise.

Willingness to compromise is shown by the person who first proposes concessions. In negotiations, this willingness should not be too evident. If a man is willing to offer concessions, he gives the first initiative and should be ready to do more, without reply from the other side. Most retailers know this and try to use compromise as a necessary solution, when it is estimated that its achievement is less harmful than not to reach agreement at all. Premature attempts to reach compromise are the first symptom which shows signs of manipulation, because, as Howard Hughes says: 'Once you make a concession, there is no way you can go back to the beginning."

Compromise is impossible without mutual concessions of partners. „Every concession you make in negotiations should correspond to equal or greater concessions from the other party." If the other party is asking for concession, we can give it, but it should never be fail to ask for something else in return. If you are not asking for reciprocal concessions, it shall be deemed that your concession has no value and will not be used in the course of negotiations.' [2] It is shown that the most important journey is the journy where partners can meet each other halfway.

Both sides should feel that they are winning. In other words, compromise is a skill of dividing a cake in such a way that everybody believes that they got the biggest piece. If this is not achieved, i.e. if the partners in business are not satisfied, there is no deal, and we should not enter this deal for it cannot last. This unfortunately is not the practice in a large number of negotiation in business, but people continue to try for compromise that had failed at an early stage.

## 2.    COMPROMISE BETWEEN ORGANIZATION AND PERSONAL INTEREST

Quite a lot has been said about the relationship between organizational and personal goals and interests. A. Smith, Charles Darwin and T. Malthus used to emphasize the profound conflict between individual and group goals and interests. Darwin's basic claim is that

natural selection increases the individual reproductive success, but there are no claims to what extent they are also positive for all species. Other features help individual reproductive success, but also serve the interests of the whole group. For example, intelligence increases the reproductive success of individuals, but at the same time serves the broader interests of species or groups. Properties of the third type enhance individual interests but harm the larger group. Let us mention the huge antlers of male deer that serve as the function of its dominance in the herd to which it belongs, but at the same time increase the risk for the whole group when he finds himself in the jungle, to become the prey of other animals. Perhaps a male with large antlers would give up these benefits in order to reduce the risk in the forest from other animals, but it is simply impossible. Smaller or larger representation of the above characteristics conditions smaller or greater ability to compromise. Broader view of this issue was given by Adam Smith, when he emphasized the consequences opportunistic behavior of individuals, which can be applied analogously in explaining compromise. [3]

Regardless of the variety, the views on the issue of individual and general, or organizational interests and goals go into two directions. The first one is represented by the classical organization and it says that organizational goals and interests are a priority and for them personal interests and goals should be sacrificed. This view is held by the owners or management as capital principals, and it is explained by the fact that people are organized primarily to achieve common organizational goals. If this does not happen, the organization can not survive, and these organizations are doomed to failure.

On the other hand, the primacy of personal goals and interests arises from the nature of man as being of interest, as he is ready to make sacrifices to achieve personal goals and interests, or the interests of his offspring. This is explained by the fact that a man is willing to sacrifice himself for the organizational goals only if through this he can realize his interests. This is supported by statements by A. Smith, who notes that there is no greater happiness but personal happiness and that if a society consists of happy and satisfied individuals, then it will be happy as a whole and beyond. Therefore, by achieving personal goals and interests of the organization, it is possible to achieve also organizational goals.

The fact is that both extremes are not acceptable, indicating that the alignment of interests between individuals or individuals and organizations, and between organizations and society, is one of the most complex issues in modern management and organization. This problem is manifested in the family, as the fundamental cell of every society. Based on the experience of life, people have come up with rational knowledge that conflicts of interest of both individuals and communities can be best solved if everyone gives up some of his interests in order to achieve certain equality. In this case there are no winners and losers, but each partner feels the winner, because he had achieved a particular interest. [4]

Therefore, it is necessary to make compromise where personal interests have priority, but they need to be achieved through the organizational goals and success. Thus, if an individual achieves higher performance, he will receive more revenue thus providing better standard of living for himself and his family. Higher performance, i.e. productivity will be of benefit to the organization. Hence only satisfied employees can be productive and loyal to the organization. In just this kind of situation, the organization has the complete man, who is willing to increase efforts.

The previous example clearly explains the necessity of compromise. The introduction of compromise prevents conflict, which typically leads to reduction in personal and busi-

ness success. Organizations that start with balancing personal and organizational goals achieve better business results. Let us keep in mind that sacrifice of personal interests and goals in order to achieve organizational goals is possible only in the short run, but it is an exclusive case and as such is unacceptable. The same applies when it comes to personal interests. In this context, workers are organized by trade unions which can be organized to put pressure on the owners for the aforementioned extremes to be brough closer and to reach compromise.

To illustrate the application of compromise we can use the examples in families, or households where we find the greatest tolerance. Specifically, each member of the family should give up part of his liberty or of his interest, in order to achieve harmony in the family or household. A similar situation exists in the prevention of armed conflict between states, where each state has to give up some of its demands, in order to reach the solution, not to enlarge the problem. In other words, compromise is necessary wherever there are people with their attitudes, preferences and interests that are particular only to man as a reasonable living being. This means that other living beings do no t have the ability to establish compromise, although their genetic code indicates compromise in the animal world.

## 3.  ORGANIZATIONS WHERE IT IS DIFFICULT TO REACH COMPROMISE

Implementation of compromise in organizational systems, channel marketing, or supply chain is determined by numerous, crucial factors. It is shown that in some societies, organizations and other organized structures it is possible to compromise, it is possible for management and employees to try and solve the problem through compromise, while in others it is difficult or even impossible. It seems that the socio-cultural factors here have the greatest impact, which is natural, because compromise is primarily a matter of culture, organizational behavior, but it primarily has the interest or the economic dimension. Bearing in mind that we here elaborate compromise on the level of organizational systems, research shows that compromise is difficult to accomplish in the following organizations:

- organizations in which there is extensive presence of labor, i.e. people,
- organizations in which there are diametrically opposed interests between individuals and parts
- organizations where the organizational behavior is based on exclusion,
- organization of bureaucratic and politicking type
- teams and groups where professional decisions are made.

Organizations that have a greater presence of labor, as a rule, have more „friction" between individuals, which inevitably leads to conflict. A typical example is the service sector where many operations can not be mechanized. Even if it were possible, it would often be ineffective, because the service is best carried out by 'two legs and two arms.' [5] Accordingly, in these organizations there is less chance of compromise, due to different people, their interests, views and issues. In other words, highly automated business systems exclude people largely from individual business process, because the role of man in these systems is assumed by mechanisms and machines which operate in the way they had been constructed by man. Information technology brought decentralization, deconcentration of labor, which means that jobs and tasks today can be performed at home creating less chance

of antagonism between individuals. Therefore, management of these and similar systems is easier, because machines do not have their own views and interests, have nosense of the soul, it cannot be hurt or offended by anyone, so there is no need to compromise.

The chances of a compromise are significantly lower in organizations where there is a big difference in status and interests between the various entities of the organization. Certainly in slavery there could be no compromise between slave owners and slaves, because these two classes differ in status so compromise is very difficult to reach. Any insistence on this leads the subordinate class, i.e. individuals into a dangerous situation. Further, differences in interests, for example between owners and workers, are often large and opposed, so compromise is often realized after the devastating strikes, work stoppages, and even conflict between owners and workers. The greater the difference in interests, they are less likely to compromise, and vice versa. [6]

Research and everyday practice shows and proves that compromise is an effective cure for many diseases, i.e. for conflict resolution. To reach the above it is necessary to develop special culture and behavior, because compromise as well as tolerance can be learned. It is not something that is acquired by birth, but something that is acquired through life, through working together, learning together and working with people. It is shown that larger number of children in the family creates a positive atmosphere for the development of compromise. Further, children who used to go to kindergarten at an early age have a greater sense of community and they are usually more prone to compromise than children who lived alone and often did not have the need for tolerance and concessions. The same applies to business organizations. Craft worker who was working alone, was not inclined to compromise, but when the technical division of labor occurred a larger number of specialists became engaged, it was necessary to make permanent compromise. Therefore, each organization has to create such organizational behavior in which there will be a certain tolerance that develops the tendency of individuals to compromise.

Compromise as a phenomenon is problematic and difficult to achieve in societies and organizations that are based on exclusivity. These are primarily called apathetic organization, such as: religious, political organizations, military, police, prisons, etc. They all have some common, but also a number of special features. Exclusivity here is often considered a condition of their survival. However, with the emergence of democratic organizations and the development of democracy these organizations too have changed their traditional attitude toward this issue, and in many cases they must adopt tolerance and compromise. It is easier to reach compromise in organizations and groups where there is mutual communication and equal status of people. Therefore, compromise is not suitable for bureaucratic and political organizations, especially when it comes to countries in transition. There is a high level of exclusivity and subordination, because orders flow from the top to the bottom, and from the bottom to the top of the hierarchical pyramid flow reports on completed orders. The starting point of any bureaucratic organization is that lower levels unconditionally execute orders from higher levels of hierarchical piradmide. The 'deeper' the organization, it is accompanied by a larger number of hierarchical levels, which makes it difficult to compromise. It is shown that political organizations of the transition countries exhibit the highest level of exclusivity, as leaders in these structures are inviolable, even when they are wrong. Accordingly, these structures are dominated by exclusivity both by competitors as well when it comes to the relationship of leaders to other individuals and groups in a political organization. The battle for domination and mastery is often

transformed into malignant exclusivity, which multiplies the problems and conflicts at the level of the whole society. [7]

Studies show and prove that the only area in which compromise cannot be present is the area of professional and high-risk decisions and their implementation. Therefore, there must be no compromise in professional work, and in making and implementing the decisions that are based on scientific grounds and where we must insist on the adopted and experimentally validated procedures and standards. For example, when ORL doctor operates on tonsils, he can not go for compromise, and remove one tonsil and leave the other one in order to achieve balance. If that were to happen, the remaining tonsil would be a source of future problems and infections. Of course, an expert works within the rules of the profession, and every deviation leads to a decrease in performance, and often can lead a professional into a difficult situation, and even to legal disputes. Therefore, the physician must apply proven and validated scientific methods, and in the event that he fails to do so he runs the risk of large and numerous problems. He even must not compromise with the patient on this issue, because it is assumed that those are highly professional decisions in which every compromise would be dangerous and as such is unacceptable, which is logical because there can be no compromise between knowledge and ignorance. It turns out that the biggest obstacle to compromise is plain ignorance. If we want to increase the chances of compromise, people must be educated and adopt this way of behavior in all the turbulent conditions of life and work.

But in modern medicine too there has been change in this regard. When it comes to slight infection, doctor may recommend antibiotics, but most doctors today do not reach for antibiotics because of their frequent and excessive use creating bacterial resistance. If doctors are exclusive not to prescribe antibiotics in treatment of ear infection or respiratory organs, the patient will go to a doctor who relatively easily prescribes antibiotics. Hence here too there must be compromise and patient's attitude must be recognized.

## 4.   CONCLUSION

The paper points out the problem of compromise as a tool and concept of management decision-making and generallly life and work, both of individuals and organizational systems. Although there is no significant scientific research to what extent compromise affects personal and business performance, it is widely accepted, and the only logical conclusion is that it is more acceptable than exclusivity and uncompromising behavior and actions. This because exclusivity often leads to conflict; malignant exclusivity leads to devastating conflicts where both the players and the social and business scenes are devastated. Therefore, all things lead to conclusion that compromise is man's the best friend; we must never forget that both in life and in business one does not get what he deserves but for he negotiates and achieves through compromise.

In the future, the need for compromise will increase and exclusion will decrease. This conclusion is logical, because interdependence between the different actors in the social and business scene shall continue to grow. No one will be self-sufficient, nor can he survive as an individual, but needs to be linked with other subjects with a high level of tolerance and compromise. Hence the need to focus more attention on compromise; it is both philosophy and business concept. Education in this matter must be mission of priority in societies in the future. It will undoubtedly become a significant factor in achieving social and busi-

ness success. Regarding above, we should considere a quote from Lowell: 'Compromise is a good umbrella, but quite often a bad roof.'

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