

Topic: Culture and Negotiation

Is there something special about international business transactions? The most obvious feature is that they introduce the effects of different cultures into the dealings.

Negotiators from other cultures may think differently due to their values, beliefs, and assumptions. There are two common beliefs about cross-cultural business negotiations:

- First, dealing in one country is totally different from dealing in any other country. So, global negotiations are likely to be completely different from domestic transactions.
- Second, negotiating global deals are the same as negotiating domestic business deals. They're all business transactions.

Both beliefs are WRONG!

Certainly, cultural differences are always present, but you can overcome these differences by mastering the *process* of negotiation. The process is universal. People are influenced by their culture, but other things as well -- most importantly their professional socialization – in law, in business management, in science, in engineering fields. This gives all negotiators some important commonalities. Furthermore, if you disentangle the key elements of culture – values, beliefs, perceptions, outlooks – you can understand how these cultural elements clearly translate into basic orientations to the negotiation process.

Many negotiators feel that they can master international business transactions if they know the key characteristics of the other side's bargaining style. There are many books and articles about national negotiating styles. What they reveal, for the most part, are cultural stereotypes. While there is a grain of truth in these stereotypes, in the end, they can be truly misleading. For example, if you are an American, just look below and assess whether you would feel comfortable saying that all American negotiators can be described by these generalizations. I'm sure you would not.

Hanging your hat on cultural stereotypes is not enough and may even mislead you. You can only be an effective global negotiator by understanding how the negotiation process works, analyzing how other negotiators use the process, and grasping how you can use the process to achieve successful business deals.

Common Stereotypes about National Negotiating Styles

- Japanese: Imprecise about issues, Seek to avoid loss of face
- Russians: Make high demands, Have patience, Rapid concession-making as the end of negotiations approach
- Chinese: Cultivate and use friends to achieve objectives, Justify position in terms of principles
- Latin Americans: Highly emotional, Use power plays, Seek face-saving, Decisions centralized in negotiation team
- Americans: Impatient, Arrogant, Not listeners, Insular, Legalistic, Naive, Friendly, Fair, Flexible, Risk takers, Pragmatic, Well prepared, Cooperative

-- Bertram I. Spector, CNA