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Negotiating with foreign business persons

An introduction for Americans with propositions on six cultures

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Ten years after "Negotiating with foreign business persons": A 1995 preface

In December, 1984, I completed the first draft of this manuscript on cross-cultural negotiation. I had worked eagerly, for this subject was a longstanding interest whose pursuit I had postponed in order to concentrate on other research concerning negotiators' communications. What emerged was too long for a journal article, too short for a book.

Even as a university working paper, the manuscript quickly circulated internationally. Its analytic framework, in particular, attracted attention. It appeared in books such as Harris & Moran's *Managing Cultural Differences* (Houston: Gulf, 1987) and Gauthey et al.'s *Leaders sans frontières* (Paris: McGraw-Hill, 1988). Though never published in its entirety, the paper influenced thinking, particularly in North America, about cultural dimensions of negotiation.

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* This manuscript was originally written while the first author served on the faculty of New York University's Stern School of Business. It was indexed there as NYU Working Paper #85-6. For this printing of the manuscript, the original text remains largely unchanged. The only modifications were relabelling some elements of the framework and reordering text to correspond to the framework.
Additional research assistance was provided by Gaik Eng Lim and Betty J. Punnett.

The editors' offer to insert my earlier paper in this volume, some 10 years later, indicates its continuing appeal and usefulness. Indeed, I hope — and believe — that it occupies more than an historical spot in the development of knowledge about international and, specifically, cross-cultural negotiation. This preface provides an opportunity to recall the original context and purposes for the paper, but also to highlight subsequent development of the field, a modification of the original framework, and contemporary uses for it.

In the early 1980s, US-based management research and practitioner literature on the cultural dimensions of negotiation was very limited. One of the most insightful books at the time was *International Negotiation: A Cross-Cultural Perspective* (Chicago: Intercultural Press, 1980), written by former US diplomat Glen Fisher. Management researchers were just getting started on the subject. In sum, there existed little systematic, comparative research on business negotiations.

Thus I set out to develop, for American researchers and practitioners, a preliminary yet encompassing framework by which to consider cultural aspects of negotiation. I was interested in mapping out as much as I could of the territory as a whole, first by identifying a variety of possible variables (which I technically called "focal points for cultural impact") and second, by "pushing the envelope" to uncover their full range of variation. That was the impetus for selecting 6 diverse national cultures to explore. Alternatively put, this work was essentially a pre-empirical effort intended to sensitize readers to possible culturally-based differences in negotiation attitudes, behaviors, and contexts; organize thinking about the subject; and by stating explicit propositions, stimulate discussion and further investigation.

Since those days, the field of international business negotiation has grown steadily, aided greatly by the booming development of the two fields it intersects: international business, and negotiation. Now there is a substantial body of research on the subject (for details, see the 1996 reference below). In the tradition of this manuscript, one can find an entire stream of comparative research on business negotiations in different cultures. Experimental studies spearheaded by one American researcher, John Graham, have been conducted in some 20 countries. There is also a sizeable amount, albeit of varying quality, of practitioner-oriented literature on cross-cultural negotiation.

Given these developments, how can the ideas in this manuscript be used today? The 12-point framework continues to be adopted or adapted, as seen in Moran & Stripp's *Dynamics of Successful International Business Negotiations* (Houston: Gulf, 1991), Salacuse's *Making Global Deals* (Boston: Houghton Mifflin, 1991), and Foster's *Bargaining Across Borders* (New York: McGraw-Hill, 1992). These and other authors have used the framework to show how culture affects negotiation and to describe negotiation practices in different countries.

In my own work now, I use a modified form of the original framework. For ease of use, it consists of 4 "blocks" of the 12 points — not the undifferentiated list. These 4 areas of negotiation had prompted identification of the focal points in the first place (see Figure 1 of the manuscript), but they had not been made explicit in the text. The 4 blocks are: the general model of negotiation, the role of the individual, negotiator interaction, and negotiation outcome.

In either form, this framework has a contemporary usefulness beyond what was first foreseen. It provides a "profile" of the negotiation attitudes and practices of any counterpart. Inspired by cultural considerations, it is not, however, inherently limited in use to "foreign" counterparts. The framework applies to compatriots and colleagues, and to individuals as well as representatives of groups. Indeed, an individual negotiator may use it for personal reflection, to gain self-awareness of predispositions and expectations. Profiles may be developed in different ways. Early in the process, one can employ the framework as a guide for information-gathering that points out particular information needs. It can also organize information that has already been obtained. Lastly, each such profile represents a negotiation approach that a negotiator might actually follow in a negotiation.

What this framework, like most comparative studies, does not suggest is how to conduct intercultural negotiations effectively. As the conclusion of the manuscript notes, "...we have simply assumed 'When in Rome, do as the Romans do.'" In two recent articles, which are in many ways sequels to this manuscript (see references), I have proposed and illustrated a set of "culturally responsive strategies."

The manuscript before you is the original, unrevised work (text was reordered only to fall in line with the modified form of the framework). It has been an eventful decade for the 6 countries: "Tiananmen Square" in China, the bursting of Japan's bubble economy and fall of the Liberal Democratic Party, political and economic upheaval in Mexico, and the Gulf Crisis for Saudi Arabia, to name just a few events. Thus the introductory section for each culture in the manuscript, which contains such political and economic facts, is clearly dated. And some observations and comments in the manuscript strike me today as somewhat naive or misguided.

Yet, I have kept the original manuscript intact. It shows "from whence" the field of cross-cultural negotiation in the US has come. The information on the cultures has staying power not measurable in terms of political events and economic conditions. Moreover, it is certainly my hope that you will find even today, the original manuscript is thoughtful and thought-provoking.

Stephen E. Weiss
Toronto, December, 1995

In 1982, Americans made over 2 million business trips overseas, trips bound to have entailed negotiation. Sales, coordination of activities within corporations, and development of joint or mixed ventures all involve, in one way or another, the process of working toward mutual agreement. In international business, this process often has major consequences, and if number of trips is a good indicator, Americans' use and reliance upon it are growing very rapidly. In one year (1983), the figure doubled.[1] It is this picture that makes all the more significant a basic observation: international negotiation tends to be marked by numerous hurdles.

Many of these hurdles — more than most people realize — arise from fundamental cultural differences. There are the readily apparent ones: to Americans, robes and turbans, meals of eel and seaweed, and bewildering symbols and sounds. But differences are often subtle and more pervasive, for culture denotes "the categories, plans, and rules people employ to interpret their world and to act purposefully within it" (Spradley & McCurdy 1971:2).[2] Culture influences the very core of an individual's actions toward others and his expectations concerning their actions toward him.

Indeed, as a process of interaction, negotiation is bound to be affected by culture. The anthropologists Nader & Todd (1978:29), writing on the general subject of dispute processing, have observed that:

> ... every disputing action has its ideological or cultural component. Discovery of the cultural dimension ... opens a door to reveal how informants [the individuals studied] perceive the world, including the way in which they see and evaluate the machinery for processing disputes and decide on their course of action.

This point also draws support from U.S. news reports of failed or agonizing international negotiations: the year long ordeal with the Iranians over the hostages, trade negotiations with the Japanese, and new joint venture arrangements with the Chinese, to name only a few. And yet, we seem to understand so little about the effects of culture on interactions between negotiators, not to mention the appropriateness of possible responses.[3]

As compelling as the need may be, this is not an easy area to investigate. How, for example, does one separate national or ethnic culture from political, institutional, and bureaucratic practices, or separate it, for that matter, from an organizational culture or the "subculture" created by veteran negotiators? Has the extension of Western business practices across the globe overshadowed the impact of the "native" cultures of the elites overseas who often control business with foreigners? In describing a culture, how does one balance the simplifications sought by anxious outsiders with the actual richness of the culture; the awareness of overt manifestations with the gestalt "feeling" for subtleties; and the stability of traditional, core features of the culture with the dynamism of change and adaptation? To what extent do business persons from different cultures slip out of negotiating behavior typical in their own cultures to act in ways specific or unique to their jointly shaped situation? And how can an analyst distinguish between influences of personality and disposition, and influences of culture in trying to understand an individual's actions as a negotiator? Such questions point to some real difficulties for conceptual and empirical approaches.[4]

Guided by an awareness of these problems, this paper takes an introductory look at cultural factors likely to affect the success of American business persons negotiating with corporate and government officials from other cultures by: a) proposing twelve variables of negotiation as foci for cross-cultural comparisons, and b) presenting corresponding propositions for these variables in each of six cultural groups — Chinese (PRC), French, Japanese, Mexicans, Nigerians, and Saudis. These groups were chosen primarily for their diversity, but also for their significance to North Americans in business. An orientation toward Americans anchors the first section and should facilitate pairwise comparisons later. Generally, these propositions are intended to apply to situations in which cultural differences are likely to matter, not to any and all situations involving representatives (e.g., very cosmopolitan ones) of these groups.[5]

Defining the phenomenon

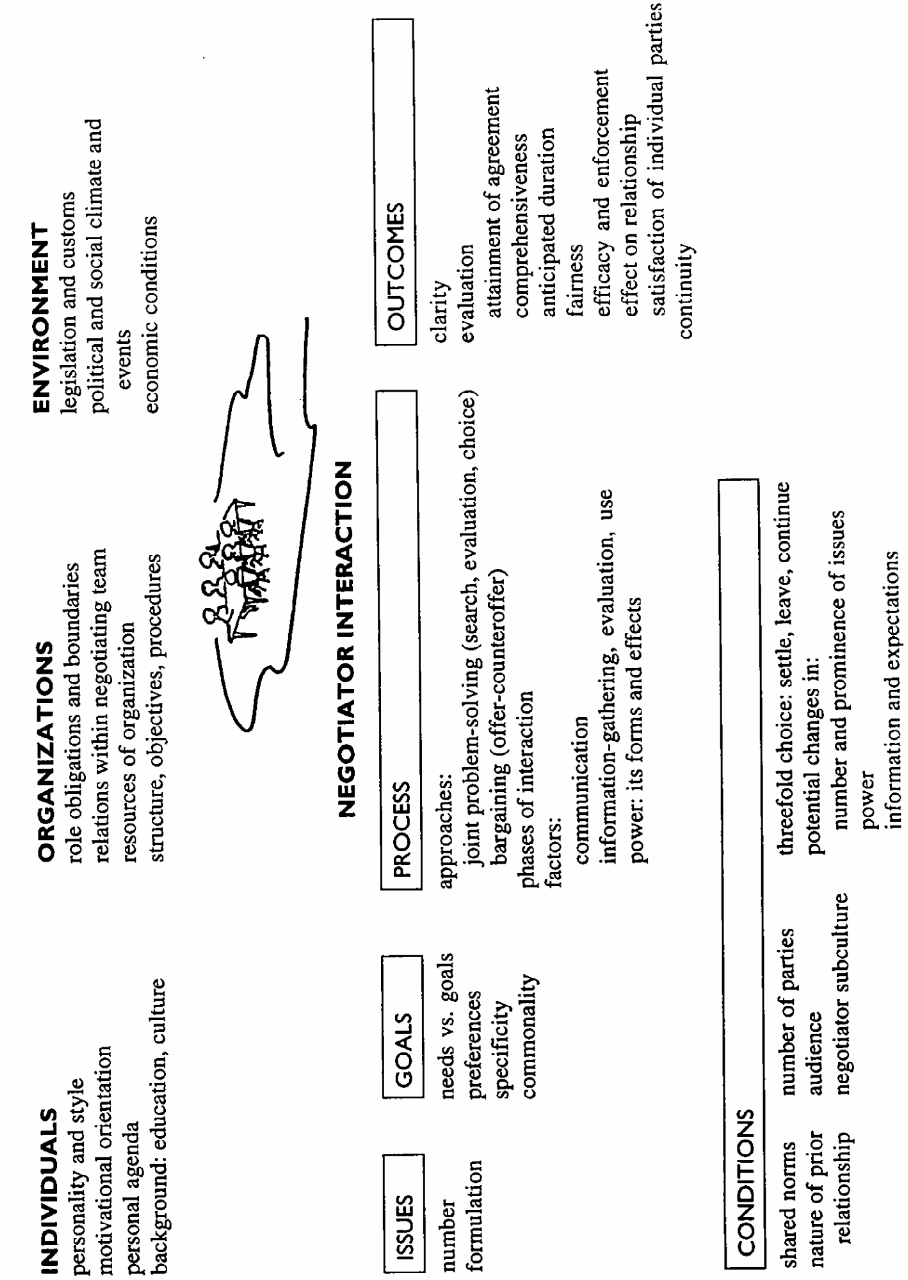
For starters, consider the very concept of negotiation. What Americans label "negotiation" may differ markedly from what the French mean by the term. In studying dispute processing in Germany, Lebanon, Mexico and other countries, Nader & Todd (1978:27) sometimes found that they had to redefine the very domain of their work.

With negotiation specifically, the extent of cultural bias in understanding and use of the term seems to depend on the explicitness of one's conception of the process. In his pioneering work on international (political) negotiation, Ikle (1964:3) has defined negotiation as: "a process in which explicit proposals are put forward ostensibly for the purpose of reaching an agreement on an exchange or the realization of a common interest where conflicting interests are present." Compare that to this definition (also American): "the science of accurate observation, realistic assumptions, correct factual analysis, logical inferences, planned behavior, and optimal presentation for each moment of a changing bargaining situation" (Sperber 1979:69). So behavioral a view probably encompasses very few encounters within, say, the Mexican and Saudi cultures. Ikle's definition highlights some essential, seemingly cross-cultural aspects: a process of interaction, the parties' common and conflicting interests, and the ostensible goal of reaching agreement. But the emphasis on explicit proposals may be culturally bound.

With Ikle's general points in mind, one might best adopt the following as a working definition of negotiation: "the deliberate interaction of two or more complex social units which are attempting to *define or redefine terms of their interdependence* (Walton & McKersie 1965:3) [emphasis added]. For the purposes of this paper, one can substitute "parties" or "actors" for "complex social units"; the concepts most useful here are the ones italicized. This definition avoids the pitfalls of the two before it and, if more general, it still directs attention to the essence of negotiation.[6]

Variables for cross-cultural comparison

Even within one culture, negotiators' successfulness hinges potentially on many variables, singly and in combination (see Figure 1). In cross-cultural settings, their variety broadens and values disperse. An observer can look into



general attitudes toward conflict and its management; basics of negotiation itself, such as the purpose of negotiation; issues, such as the relative importance of the relationship, substance, and intangibles (e.g., self-esteem, reputation); parties' attributes, such as degree of internal unity; conditions, such as concern with protocol; dynamic process elements, such as amount and types of information exchanged; and outcomes, such as what constitutes an enforceable or satisfactory agreement. And that is merely the beginning of a list.

For this paper, twelve variables were selected, and each of them represents a focal point for cultural impact. This tack should be more useful to negotiators and researchers in the field than say, a general description of a culture from which various effects must be inferred. Furthermore, this paper is an effort not in describing six cultures extensively but in discerning and beginning to consider cultural points of impact on negotiation.

1. *Basic concept of the negotiation process*

In American business, negotiation has traditionally been, and in many places continues to be, construed as a competitive process of offers and counter-offers in which one party's gains are the other's losses. Formally, this has been called "distributive bargaining" (Walton & McKersie 1965). An alternative general model is joint problem-solving ("integrative bargaining"). Another possibility is a contingency view which admits the use of either problem-solving or distributive bargaining, depending on the issue at hand. And one could see negotiation as primarily a debate. All four treat problems or issues explicitly. In some cultures, however, negotiation may be a wide-ranging discussion in which changes in attitudes and goals take place subtly and without verbal announcements.

As a general variable, a basic concept of (business) negotiation seems to rest on four related, cultural factors: a) attitude toward conflict (functional vs. dysfunctional, zero-sum vs. nonzero-sum); b) prevailing response (direct vs. indirect; confrontational vs. avoidant); c) predominant view of business relationships (competitive vs. collaborative); and d) purpose of negotiation (maximization of individual vs. joint benefit, attending to relationships vs. "performing," carrying out a rite).

2. *Most significant type of issue*

At least four types of issues (read concerns) may call for negotiation or arise during it: substantive, relationship-based, procedural, and personal/internal. The first covers such matters as price and number of units to be sold; the second, compatibility of styles and mutual trust; the third, although related to the second, the type of structure — format — of discussions concerning substantive and relationship-based issues (e.g., preconditions, agenda-setting); and the fourth, respect, reputation, and dissent within one's own negotiating team. The appropriateness of acknowledging and openly addressing these issues may vary by culture. So, too, may the importance attached to their resolution. That importance, which is emphasized in this paper, can obviously affect the course of discussions, their content, and the very likelihood of agreement.[7]

The popularity of the expressions "getting the job done" and "getting results" reflects the predominance for Americans of substantive types of issues (see Beliaev, Mullen, & Punnett 1984).

3. *Selection of negotiators*

These criteria include negotiating experience, status (seniority, political affiliation, sex, ethnic ties, or kinship), knowledge of the subject, and personal attributes (e.g., affability, loyalty, and trustworthiness in the eyes of the principal).[8] Negotiating skill *per se*, as indicated by record of success, reputation, or particular skills now being recognized, could also be used as a criterion. Some of these qualities overlap or coincide, but each carries a different emphasis.

In some cases, all of the criteria may be represented by a party to negotiation. A negotiating team is a clear example. When teams tend to be appointed, one can still ask how composition of a team of a given size varies from culture to culture. The number of negotiators considered appropriate itself probably varies by culture.

Americans seem to invoke the ability criterion (substantive knowledge, negotiating skill *per se*) most, although negotiating experience probably runs a close second. Several specific skills identified by senior officers at a large U.S. bank were reported by Raiffa (1982:120).

4. *Individuals' aspirations*

The emphasis negotiators place on their individual goals and needs for recognition may also vary. Some take the attitude "to thine own self be true," while others "know their station in life" and closely align their own needs with the community good. This community could be a negotiator's team, company, relatives, tribe, or even compatriots. Thus the weight carried by individual aspirations affects intra-team dynamics generally and more specifically, helps to explain the bases of individual negotiators' own positions and their perceptions of their counterparts' incentives and rewards.

Both historically and in contemporary practice, Americans tend to encourage individual aspirations and applaud individual achievements. The force of this position is usually tempered, of course, when a negotiator is representing his company. Still, when compared with negotiators from other cultures in similar situations, Americans emerge as relatively individualistic.

5. *Decision-making in groups*

This variable refers to the system by which negotiators reach decisions within their teams, and between their teams and the organization they represent. Consensus decision-making can be contrasted with majority voting and authoritative decisions.

The latter are clearly more common options in the U.S., recent moves toward "participative management" notwithstanding.

6. *Orientation toward time*

For most Americans, "time is money". This monochronic, compartmentalized attitude toward time is evinced in the importance attached to setting specific appointments in advance, the punctuality expected and observed in keeping appointments, and the urgency imputed to meeting deadlines. These expectations surely affect negotiators' conduct. The practice of "stopping the clock" is just one example.

Expectations can be based on the opposite attitude (polychronic): namely, time is plentiful, detailed plans cannot affect the course of nature, human affairs should not be subject to attempts at rigid control, and a long run perspective is desirable. These negotiators see little urgency in efforts to conclude an agreement and appear far less preoccupied with time. They put issues off in order to get to know the other party and neglect tight schedules.

7. *Risk-taking propensity*

After an extensive study of one multinational's employees in forty countries, Hofstede (1984) concluded that avoidance of uncertainty was a primary cultural variable. Americans showed up well below the mean for avoiding risk. Some cultural groups were much higher (e.g., Greece, Japan), others much lower (e.g., Singapore).

In negotiations, such differences show up in willingness to divulge critical information when counterparts' trustworthiness is questionable; openness to novel approaches to outstanding issues; willingness to go beyond superiors' directives and authorizations; responses to proposals with unknowns or contingencies; and the desired form of a final agreement.

8. *Bases of trust*

Concern about trustworthiness pervades negotiation, for it enters into considerations about disclosure and retention of information during discussions as well as desirability of a comprehensive argument. Negotiators can go with past record of trustworthiness (documented evidence, direct experience, professional reputation), intuition (status/visibility, knowledge/expertise), or the existence of external sanctions by which to regulate conduct (e.g., "bargaining in good faith"), or enforce an agreement. Only one or all may be feasible in a particular negotiation. The nature of past experiences between the negotiators themselves is probably a major determinant.[9]

American practices are difficult to call. Past experience seems very important. Where it is absent, however, it seems accurate to say that Americans probably feel much better about the availability of legal enforcement and recourse in their culture than they would about extensive use of intuition and "social" or moral sanctions.

9. *Concern with protocol*

Concern with protocol has to do with the importance placed on the existence of and adherence to rules for acceptable self-presentation and social behavior.

In short, this is a matter of formality. It may entail dress codes, extent of use of titles (from none to several in sequence), location of negotiations, and seating arrangements. These rules are worth distinguishing from procedural aspects of negotiation because the latter center on negotiating conduct in a particular case, whereas rules of protocol tend to apply from one negotiation to the next.

On a bipolar, formal-informal dimension, even the American representatives of tightly run U.S. corporations are considered informal by their counterparts in other cultures.

10. *Communication complexity*

Complexity refers to the degree of reliance on nonverbal cues to convey and to interpret intentions and information in dialogue. These cues include distance (space), gaze, gestures, and silence, to name just a few. They are especially valuable when a counterpart's verbal expressions appear irrelevant, evasive, ambiguous, vague, or simply muted (or nonexistent).

Linguists in the U.S. continue to debate the relative contributions of various communication channels to meanings in American conversations.[10] Some writers contend that nonverbal cues predominate, that they always override the verbal. Instead of entering this debate over the components of "true" meaning, it seems more important in this paper to attend to the deliberateness of negotiators' use of nonverbal cues. The common characterization in cross-cultural research of American communication patterns as "low complexity" then seems more telling (Ting-Toomey 1983).

11. *Nature of persuasion*

One way or another, negotiation involves attempts to influence the other party, to be persuasive both in presenting one's own goals and in responding to others'. Verbal attempts, here labeled "arguments" in the broad sense of the term, may vary markedly in style. Behind style, supporting and motivating it, there are fundamental touchstones to which one appeals: empirically-based reason (facts, assumptions, inference), intuition, experience (tradition), dogma (ideology), and emotion.[11]

In the U.S., rational presentation with detailed information is generally considered desirable and effective.

12. *Form of agreement*

The desired form of a negotiated agreement is based on many concerns and practices: trust, communication, credibility, salience of certain types of issues, commitment, enforceability, and more. They seem to cluster around two categories: explicit and implicit forms. Explicit forms are detailed, written contracts that cover most contingencies and bind parties legally, whereas implicit forms consist of broad, general principles often agreed to orally. Their implementation tends to be negotiated *ad hoc*.

Apart from some special situations (e.g., trading floors), Americans commonly favor and expect written, legally binding contracts.

SUMMARY OF TWELVE VARIABLES

GENERAL MODEL

1 Basic Concept of the Negotiation Process
distributive bargaining / joint problem-solving / debate / contingency bargaining / nondirective discussion

2 Most Significant Type of Issue
substantive / relationship-based / procedural / personal-internal

ROLE OF THE INDIVIDUAL

3 Selection of Negotiators
knowledge / negotiating experience / personal attributes / status

4 Individuals' Aspirations
individual <------------------------------> *community*

5 Decision-Making in Groups
authoritative <------------------------------> *consensual*

INTERACTION: Dispositions

6 Orientation toward Time
monochronic <------------------------------> *polychronic*

7 Risk-Taking Propensity
high <------------------------------> *low*

8 Bases of Trust
external sanctions / other's reputation / intuition / shared experiences

INTERACTION: Process

9 Concern with Protocol
informal <------------------------------> *formal*

10 Communication Complexity
low <——————————————————————> high

11 Nature of Persuasion
direct experience / logic / tradition / dogma / emotion / intuition

OUTCOME
12 Form of Agreement
contractual <——————————————————————> implicit

Among the twelve variables above, there are some tie-ins and overlaps. For instance, communication complexity relates to nature of persuasion and form of agreement, and individual's aspirations affects the impact of selection of negotiators. Understanding these kinds of relationships enhances a negotiator's effectiveness abroad, but space requirements limit this paper to individual considerations of the variables.

In summary, North Americans lie on or near the left side of each list or range for the twelve variables. Now let us look at the six other cultures.[12]

Negotiating with the Chinese (PRC)

The Chinese have witnessed tremendous political and social change in this century. Rule by divine emperor, which had endured thousands of years, ended in 1911 with Sun Yat-Sen's overthrow of the Manchu Dynasty and his advocacy of nationalism, democracy, and Western industrial and agricultural ways (this, after 70 years of hostile confrontations with the West and Japan). That was followed years later by civil war between the new republicans and local warlords, war with the Japanese from 1937-1945, and a renewed civil war (1945-49), this time between Chiang Kai-Shek's Nationalists and Mao Zedong's Communists. When it ended, Mao controlled all but Taiwan, Mongolia, Hong Kong and Macao, and proclaimed the People's Republic of China. In 1958, he undertook the Great Leap Forward to push development of rural communes and village industrialization. From 1966 on, the Cultural Revolution attempted to root out old ideas and customs. Mao, Zhou Enlai, his long time premier, and Zhu De, another long time comrade and chairman of the People's Congress, all died in 1976, and their deaths sparked new political struggles. Deng Xiaoping emerged at the helm of this country of one billion people.

Deng has pushed for "pragmatic communism," particularly with respect to the economy (an effort formally endorsed by the Central Committee in October, 1984). His government has allowed both individual citizens and industrial managers some capitalist freedoms in hopes of stimulating initiative and improving efficiency. Plans have been made for modernization of farming, energy, transportation, communication, textiles, pharmaceuticals, and manufacture of construction machinery, and some $1 billion is to be spent on Western technology in 1984. At the same time, foreigners are being encouraged to invest: special economic zones have been set up (e.g., Xiamen, Shenzhen). China is also investing abroad.

With respect to American business people, relations have multiplied manyfold since President Nixon's trip to China in 1972. U.S.-China trade for 1984 is expected to increase 25% over 1983's $4.7 billion total.[13] According to the U.S. embassy in Beijing, U.S. investments in China now total $500 million and involve such companies as American Motors, Coca-Cola, Occidental Petroleum, Squibb, Minnesota Mining and Manufacturing, RJ Reynolds, Gillette Company, and Eastman Kodak. Meanwhile, the Chinese have invested in U.S. companies in Iowa, New Hampshire, and Pennsylvania.

How much have these contacts affected the Chinese bureaucracy? More critically, how has the communist system altered traditional Chinese culture? To many Americans, mainland Chinese still seem "stoic" or "inscrutable" — impressions that at least suggest the continuing relevance of a Confucian heritage. It centers on filial piety and emphasizes the importance to an individual of group identities (especially the family), influence by example, and obedience. But the overall picture is considerably more complicated.

Basic concept of the negotiation process

Distributive bargaining mixed with integrative aspects. Dysfunctional, zero-sum. Indirect, avoidant. Competitive.

The Chinese view of negotiation is influenced by a longstanding cultural aversion to openly confronting conflict, a tendency complemented if not caused by hierarchy in social relationships and Confucian norms. In this light, negotiation *per se* appears even foreign. But it is used: mediation committees helped to resolve some 7 million cases in 1983, a figure attributed partly to the undesirability of courts and other public fora.

That does not, however, preclude the occurrence of emotionally overt, intense conflicts. In the same vein, keep in mind that communist ideology espouses dialectics.

With foreigners, Chinese negotiating behavior seems to draw from all of the models mentioned earlier. The Chinese underscore mutual interests and friendship, discuss general principles, and shun proposal-counterproposal procedures at the table. To Americans, dialogue often seems to roam. At some point, details are bargained out, often discreetly, away from the table. But Chinese negotiators have also become known for use of distributive bargaining tactics: taking extreme positions, making concessions very slowly, and so forth.

This mixture of models that Americans generally separate is explained partly by an observation that the Chinese simultaneously negotiate on a manifest level involving concrete details and on a latent level concerning emotional bargains. There is a concept of *guanxi*: the use of "connections"— commitments between individuals to help each other (help now for help later) — in order to get things done. To Americans, this relationship appears demanding, but it is subtle. Pragmatics also play a central role: the Chinese bargained much less for highly desired computer equipment from Control Data in 1973-78 than they did for Boeing's planes in 1972.[14]

Most significant type of issue

The nature of the parties' relationship is the primary issue, albeit, with foreigners, not to the exclusion of substantive issues.

Chinese negotiators attempt to create emotional ties with their counterparts and value friendship, favorable extracontractual actions, tolerance, and trust, all of which seem to be understandable extensions of their cultural tradition.

With foreigners, relationship-based issues are especially important. They arose early on, during the Sino-French controversy over Annam (Vietnam), for example. China's historical relationship with Annam was framed by a "tributary system" in which Annam was simultaneously under China's control and independent. In the 1870's, when the French interfered in this to them incomprehensible system, the Chinese did not query them because that would "hurt the feelings of a friendly country." The "Unequal Treaties" that followed set the stage for distrust that continues, particularly when it comes to outdated technology. So becoming a "foreign friend" often takes a long time.

In negotiations, the Chinese see no need to take command of discussions

nor do they seem very concerned about procedural issues. (This is due partly to their setting an agenda beforehand, but it also remains consistent with the relationship emphasis.) Nonetheless, they can push hard for favorable prices and especially for detailed, technical information. They expect favorable terms from good friends (*guanxi*). The Chinese see it as give and take, though, and do offer good friends future business.[15]

Selection of negotiators

Large teams of varied composition tend to be used.

When Americans send 1-3 negotiators, the Chinese send 1-40. According to one diplomat, Mao deliberately exploited the power of numbers at international political conferences, but many cadres needed international experience then. Today, one can probably point more meaningfully to such reasons as internal *guanxi*, the long established tradition of group effort, and the political purpose of restraining individual discretion.

The individuals on teams met in China may be government officials or cadres (national, provincial, or city), managers of individual enterprises, technical personnel, or political appointees there to watch others. Lawyers are rare; they are low in status and limited in number (15,000 full and part-time). Whatever their position, however, Chinese negotiators tend to be exceptional in their endurance and meticulousness.

The leaders of these groups are usually the individuals who speak first, but their authority can be difficult to determine. It does not come with rank alone. Members come and go and the groups look large, but they are well-coordinated units.[16]

Individuals' aspirations

Individual aspirations play a minor but changing role.

Traditional norms encourage the Chinese "to perfect oneself, family, country, world" (Confucius), to depend on each other for support and protection, and to preserve the extant social order. The communist government has advocated "serving the people" (the Party) as a national ethic. The emphasis on the group, then, is strong, and Chinese negotiators' superiors reinforce it with queries about what has been accomplished for China.

With Deng's policy changes, individual aspirations and accomplishments are gaining much more attention. Peasants are working for their own gains, to buy appliances and trucks; city dwellers are setting their sights as well. But group ties (cf. Japanese collectivism) are likely to remain strong for some time to come.

Decision-making in groups

Decisions tend to be made authoritatively.

Status and hierarchy define social as well as political relationships in China. One author has called the Chinese society second to none in this regard. Thus decision-making seems to be by authoritative rather than consensual processes.

> But there is a twist to this: ... the Chinese system, while undeniably authoritarian, is in its essence a bureaucratic process in which the critical art is to avoid responsibilities, diffuse decisions, and blunt all commands that might later leave one vulnerable to criticisms . . . In Chinese political culture, there is no assumption that power must be tied to responsibility; on the contrary, in the ranks of the powerful, proof of importance lies precisely in being shielded from accountability.

Calling this a "system" may be fitting a round peg into a square hole.

Sometimes individuals who can make a final decision, i.e. who do not need to consult superiors, do sit on teams negotiating with foreign business persons.[17]

Orientation toward time

For the foreigner, patience is the watchword.

The Chinese culture, if one looks at it singularly, has existed for thousands of years, much longer than the American, and the Chinese seem to take a much longer view of time.

Still, their attitude does not appear to be quite as simple as that. One observer notes that once fears concerning superiors and threats to others have dissipated, the Chinese are "compulsive" in moving toward action. For years, one American executive corresponded with a Chinese official about initiating a business venture, then one day, the official notified him in Hong Kong that he should visit "immediately."

With respect to negotiation specifically, the long lead and discussion times may have several causes. As a negotiating tactic, they allow the Chinese to learn as much as possible from a counterpart, particularly when technology is involved. Delays may also come from bureaucratic tangles and the need to consult superiors. Writers on the subject seem unwilling to say that it is strictly one or the other.[18]

Risk-taking propensity

Generally, risk is avoided.

Governmental politics have been so volatile in this century that individuals involved in international negotiations probably attempt to minimize risk. It is not a matter of just going by the book, however, since the book itself keeps changing. Consider the examples of the Gang of Four and even of Deng himself. Behind this condition lie two factors of import: 1) a culture conservative and slow changing by nature; 2) the threat of "shaming" individuals (refer also to earlier section on decision-making in groups).

On the other hand, the government has insisted upon assuming risk in some business ventures. It did so in the late 1970's in negotiations with Exxon, Mobil, and other companies seeking rights to offshore oil fields.

Business negotiations in China are also expected to be kept secret.[19]

Bases of trust

A critical element in negotiation with the Chinese, trustworthiness is assessed on the basis of past record.

Trust is important and must be earned. It is not accorded at the outset then tested. Thus trust is grounded in direct experience. It fits with the overall emphasis on relationship.

These points are illustrated in an article on Overseas Chinese, who, having left the Mainland, cannot enforce contracts but do seem to have some similar traits. They contend, "If you need a contract to hold a man to his obligations you ought not to be doing business with him at all." They will place a small order with a new company and often deliberately leave opportunity for cheating. If this and subsequent "tests of reliability and integrity" are passed, trust and the size of orders will build, albeit gradually.

Foreigners, then, face a difficult problem. They are working against the Chinese longstanding memories of the bad experiences with foreigners and with only limited, often very new contacts. Trustworthy intermediaries seem to play an important role.[20]

Concern with protocol

Formalities are observed assiduously.

Some basic social rules derive from *keqi*. Although it has no exact equivalent in English, it prescribes polite, courteous, and humble behavior — the attentiveness so apparent to American guests.

More generally, the Chinese have traditionally been taught early exactly how to behave in the relationships and circumstances that people in their status are likely to encounter. Status was clear-cut: families within clans were "graded"; so were clans within communities. And to discern the appropriate status of foreigners, the Chinese talked about family background, education, and company (but not religion or status) right at the outset of conversations, so superior status could be determined quickly and structure ensuing discourse. This concern over status and the clarity of status lines may be diminishing for the younger generation today. Still, prescribed, behavioral patterns are all reinforced by the social conviction that adherence makes a person good and reputable. (These are behavioral patterns, not Western-style principles.)

At the negotiating table, the Chinese refrain from small talk, even as a means of breaking tension, unless it is structured. Away from the table, they entertain only their closest Chinese friends in their homes. (There is a saying, "There should be a difference between insiders and outsiders.") Negotiation is a time to concentrate, in a dignified manner, on the business at hand.[21]

Communication complexity.

More complex than in the U.S., the Chinese context still involves heavy use of verbal cues.

The prevalence of indirection and reading between the lines makes the communicative context particularly difficult for those accustomed to direct and open dialogue. The two tendencies are, in one writer's words, "an expression of a cultural preference for harmonious and positive intercourse

among people." With it comes concern for symbols and symbolic matters, no discomfort with long silences, and an aversion to emotional messages.

Agreement to a proposal may be stated as "the problems are not great" (*wenti buda*). "Perhaps it's not convenient" serves as a denial. General principles that have been agreed upon may be extended in meaning to exact concessions. The "spirit of an agreement" is important. And silence does not have invariant meaning: it can indicate "yes" or "no."

There is also the expression "We'll study it" (*yanjiu*). It may indicate that a) no feasible solution exists for this issue, b) the team is still trying to reach a consensus, c) not enough information is available, or d) the negotiator agrees but has insufficient authority to say so. In any case, it would usually be inappropriate to push for more action.

As a result of politicization perhaps, extreme or exaggerated language has also come into use. Twenty years ago, a diplomat remarked: "We must not expect to find fixed and verifiable meanings even in seemingly rigid statements... This faculty Peking has developed of using the same words to cover a spectrum of meanings ... adds to ... the difficulty of negotiation with China." This usage continues, and yet, "just a slight change can produce a completely different vocabulary."[22]

Nature of persuasion

Experience and dogma serve as primary bases of appeals.

"The Chinese tendency," one observer notes, "is to operate either at a very high level of generalities (and moral abstractions) or at the concrete level, thereby avoiding the middle level of generalization so important in science-oriented cultures." Indeed, generalities characterize traditional, cultural ways (e.g., Confucius) and communist ideology, from Mao's Red Book to Deng's pronouncements. Among the Chinese, a particularly persuasive basis for a position is the upholding of national interests and honor.

In form, the Chinese tend to state a position, give a few examples and justifications, and then rest their case. If they encounter opposition from foreign negotiators, they restate their original position rather than embellish it. Hence the impression by one observer of their making "dogmatic assertions of the righteousness of their own positions."

There are several factors to consider here. The Chinese language may limit possible forms: some researchers have argued that it does not allow for hypothetical (contrary-to-fact) reasoning. On the other hand, Chinese do exploit logical contradictions they find in foreigners' positions. Broad cultural factors denigrate other possible bases of persuasion: passion (e.g. anger), for example, signals a loss of self-confidence. Limitations on the Chinese negotiator's authority also affect his arguments.[23]

Form of agreement

Together with a concern for the spirit of agreements, the Chinese prefer written agreements that appear very general to Americans.

Within China, "contracts" set forth the parties' basic wishes and intents and leave much to trust and common sense. In other words, they are frameworks of general principles that allow details to be worked out as agreements are implemented. There is much less concern about rescission (the right to abrogate a contract) than there is about the continuing obligation to repair a bad situation.

This approach applies with foreigners, too, to some extent. Many considered the Joint Venture Law of 1979, for example, extremely general. Others have also contended that nothing is ever final in China. Occidental's Hammer has signed three agreements in four years on the Pingshuo coal development, each time expecting to close the deal.

The Chinese have an historical distrust of legalism. There was no judiciary system *per se* in traditional China, and the system now in place is influenced politically. Furthermore, the Chinese suspect Western concepts of law, have no real commercial law, and have been reluctant to agree to such practices as international arbitration. Keep in mind also that practices within China notwithstanding, the Chinese have unilaterally canceled some contracts with foreigners. One writer asserts that these moves have always been allowable by certain clauses in the contracts. Still, the investments were huge: in 1981, for example, billions of dollars involving a petrochemical industrial park in Nanjing, a copper mine in Giangxi, and more.[24]

Negotiating with the French

A people with a long history in Europe, the French were deeply shaken by World War II but rallied around Charles de Gaulle as a resistance hero then as head of the first postwar government. Years later, when the country struggled with decolonization, he returned as president and went on to overshadow social and political arenas with his ideas about "France not being France without greatness." Nine years into his ten-year long presidency, in May 1968, students and workers took to the streets with their dissatisfaction over his "paternalism," an ossified political left, social immobility, and static educational methods. The leftist parties made the next major, historical mark in May, 1981 by winning the presidential seat so strong in the French republican system (a 7 year term). The incumbent, Giscard d'Estaing, was defeated by Socialist leader Francois Mitterand.

Government and business have long had close ties in France, but Mitterand augmented them by immediately nationalizing major industrial companies (Compagnie Générale d'Electricité, Péchiney Ugine Kuhlman, Rhône-Poulenc, Saint-Gobain, Thomson) and 30 banks. (The nationalized sector now represents about one fourth of the country's industrial output.) In 1982, however, the newly nationalized companies lost $1.4 billion. 1983 did not relieve the problems: declining exports and industrial output, unemployment, relatively high social benefit packages. So Mitterand began a two-year austerity program, loosened control of some companies, and committed $2.5 billion in new capital (in 1983) to nationalized companies competing in the private sector. Industry continues to be restructured — decentralized and pushed in certain directions (The Ninth Plan, 1984-89). The state plans to invest $20 billion in high tech in the next five years.

The French and Americans have had the hot-and-cold relationships in business that they have had in governmental relations. De Gaulle decried U.S. hegemony for years; Mitterand has faulted U.S. monetary policies; and business and political groups in the two countries argued over the U.S. boycott on Dresser Industry's supplies to the Soviet pipeline. But trade seems relatively stable. In 1983, total volume was $12.3 billion with the U.S. exporting machinery and electrical equipment, soybeans, chemicals, aircraft and aerospace equipment, and France exporting iron and steel, beverages, and chemicals. Americans invested $9.1 billion in France in 1981. Ford recently added to its plant in Bordeaux, and IBM continues to be the largest foreign company.

Moreover, there are new opportunities in selected areas: computers and some other high technology (but not military equipment or telecommunications). In the U.S., Renault has taken over American Motors and Mack Trucks, Elf Aquitaine acquired Texas Gulf, and high tech joint ventures with the Compagnie Générale d'Electricité are on the drawing board.

The French are very proud of their culture, whether it is their language, art, literature, fashion, or cuisine. More than one American has come back from Paris complaining, however, that the people are cold, irritating, and aloof. Mark Twain is said to have once commented: "God made man a little lower than the angels and a little above the French." No matter how common that kind of attitude, there is much for an American businessperson to consider.

Basic concept of the negotiation process

Debate. Functional, zero-sum. Direct, confrontational. Competitive.

The French enjoy exchanges of ideas — controversy and argument. This penchant shows in the conversational attention given to intellectuals and the political writings of an Aron, Malraux, or Sartre, and shapes their approach to negotiation. To an American eye, the French seem to consider negotiation a debate requiring very careful preparation and a logical presentation of one's position. Negotiation is treated as a search for well-reasoned solutions.

One French academic clearly influenced by American research on negotiation has identified a confusion of negotiation with debate as an error commonly made by negotiators. But he also identifies skillful use of argumentation and communication techniques as one of ten best ways to negotiate successfully. His view on French negotiators as debaters, then, is somewhat confusing.

It is clear, however, that the French tend to respect dissent and recognize that some opinions cannot be reconciled. Often invigorated by conflict, they obviously accept it. Life is "combat," a "struggle." So one reads in a French diplomat's writings as well as in Sartre.[25]

Most significant type of issue

The most significant issue is the "heart of the matter," but that does not mean the "substantives" of price and quantity. Relationship-based, procedural, and personal issues in a certain combination also draw attention.

"The French always place a school of thought, a formula, convention, *a priori* arguments, abstraction, and artificiality above reality; they prefer clarity to truth, words to things, rhetoric to science." That, in the words of one outsider. At least in emphasis, the statement is telling and corresponds with the penchant for debate. Specific "substantive" issues may become obscured. The central issue in negotiations with the French may be, very literally, a "meeting of the minds."

Such exchange has relationship-based dimensions. French people apparently like to engage others, especially those who disagree with them. But the scope of the interaction is limited: family and personal matters, for example, are kept separate from business. Affinity is not offered lightly, and as one Brit put it, the French refuse "to suffer fools gladly." They also expect counterparts to respect their basic views and to play by the rules of the game. The French will do so with a certain dignity. Once a good client-customer or other relationship develops, it tends to endure.[26]

Selection of negotiators

Status is the major criterion, although ability is gaining in use.

The significance of status can be seen throughout society; it easily extends to business affairs. Social class, degree obtained (and school, if it is one of the nationally acclaimed ones), family ties, and age, in that order, all affect a French person's status. Work accomplishments and performance alone were not enough in the past and to some extent are not enough today for one to gain respect from members of other social classes. The well-connected often enter the highly regarded universities like the Ecole nationale d'administration. It has graduated former President Giscard d'Estaing, Thomson Group chief Alain Gomez, and numerous others in government and business.

With this kind of background, it is not surprising that U.S. diplomats are impressed with the prestige of their French counterparts and the extent to which their system backs them up. Such effects probably hold also for negotiators for the many family-run corporations. These patterns, which have been reinforced by the conservatism prevalent in social traditions in France, are changing according to one British observer. He argues that promotion by merit is becoming more common.[27]

Individuals' aspirations

Individualism is valued greatly by the French.

Individual opinion — independence of mind — is respected highly, perhaps more so than in the U.S. Acquisition of power (cf. attainment of goals) is also valued. Overall, however, when other factors such as individual initiative and achievement, responsibility only for self and immediate family, and aspiring to leadership and variety (rather than conformity and orderliness) were considered in one extensive, cross-cultural study, the French ranked below the Americans in individualism. The French responses ranked 11th highest out of 39 cultures.[28]

Decision-making in groups

Decision making is highly centralized both in the government (of old as well as of today) and in businesses.

Within organizations, decisions tend to be made authoritatively. In one writer's words, "the French concept of authority [is] something absolute, monarchic, and autonomous ... almost any firm [has] clearly defined areas of responsibility ... the links between them are strictly formal." In addition to this hierarchy, however, a complex consensus-building process exists in some organizations. They have "enterprise committees," groups made up of union and management representatives that meet once a month to consider economic issues.

The tie between business and government is also worth noting. In the words of Jean-Pierre Brunet, head of Compagnie Générale d'Electricité, "The state has always been powerful in France. When you've got a big decision to take it's hard to make it without consulting." That may hold especially for nationalized companies like Brunet's, but Minister of the Industry Laurent Fabius has at least advocated the expansion of these executives' independence.

It is also worth noting that the big industrial groups like CGE did not exist

in France until the late 1960's. In many ways, it was and still is a country of small businesses whose decision-making apparatuses differ markedly from the industrials' practices.[29]

Orientation toward time

With timetables and appointments, punctuality is expected, but the general attitude toward time differs markedly from Americans'.

Organizations tend to have long-range goals and correspondingly long time horizons. Decisions are made slowly.

This view is apparent in other areas of French life as well. Consider the hour and a half to two hours taken for lunch or dinner. Outside of central Paris, shops often close for 2-3 hours between noon and 4 p.m. then open up again until 7 or so. Annual vacations are a month long; in fact, one is hard pressed to conduct business between July 14 and September 1. (For evidence, one need only look at the *autoroutes* leading out of Paris in early and late August.) In short, basic concerns about quality of life shape the French attitude toward time.

Risk-taking propensity

Traditionally, the French have been very conservative, but this orientation seems to be shifting.

Paraphrasing the French sociologist Crozier, one writer has stated:

> ... French society throughout its history has shown a tendency to resist change until the last possible moment, to allow an intolerable situation to build up and then, when the strain and inconvenience are too great, to change together in a vast reshuffle, usually under the impulse of a few pioneering individuals. This is happening today, probably on a grander scale than ever before, or at least since 1789 [French Revolution].

This historical tendency is reflected in the reputation of French business for conservative, safe management and "perfect blueprints" and ideal solutions rather than immediate responses to unsolved problems. The French prefer discrete rather than gradual change, and it is worth noting that once they have undertaken change, they rarely return to the *status quo ante*.

In the cross-cultural study by Hofstede, French employees appeared very high in their avoidance of uncertainty: the 6th highest out of 39 countries. A shift is evident, however. When the responses were controlled for age, that ranking dropped to 12th.[30]

Bases of trust

Trust emerges slowly, usually as a result of one's deeds.

Many writers cite a social mistrust, a cynicism among the French that suggests a wary orientation toward counterparts in negotiation. With new counterparts, the French base initial, limited trust on an intuitive evaluation of personality, particularly with regard to perceived status and intellect. Additional trust comes as proof (a good record) justifies it. Note, however, that some observers find the French difficult to impress and impatient with those who try to impress.[31]

Concern with protocol

Proper demeanor and formality generally are considered important aspects of interaction.

This orientation follows from status-consciousness and conservatism in interpersonal relationships, especially with strangers. But it also stems from a basic concern about and sensitivity to comportment.

Consider these examples of rules for self-presentation and social behavior. Greetings and partings are deliberate elements of an encounter. Students arriving at a *lycée* (high school) in the morning will greet each of their friends with handshakes or two, three, or four kisses on the cheek and do so again as they leave in the afternoon. The French language has two forms for "you," *tu* and *vous*. The former is used with relatives and friends, while the latter is used with strangers and those whom one respects. In negotiations, an American businessperson will probably hear — and need not be insulted by — *vous*. Meals are elaborate presentations of different courses in a standard order each complemented by an appropriate type of wine.

Formality is readily evident in the standard closing for a business letter: *"Veuillez accueillir, Monsieur, l'expression de mes sentiments les plus distingués."* Rather than a simple "Sincerely," it is more on the order of "I ask you to accept, Sir, the expression of my most sincere sentiments." Subordinates and superiors do not mix informally at work. One French sociologist has

dubbed their fear of doing so the most characteristic of French traits. Work routines and chains of command are codified. One more quick note: the price of something a person owns, income, and family affairs are among the conversational topics considered taboo.[32]

Communication complexity

The French seem more involved than Americans in verbal and in nonverbal communication, which makes their context not simply low or high.

The animation noticeable in conversations reflects the significance of nonverbal aspects of communication. Gaze is often intense. There is, too, an emphasis on social involvement with those one knows.

At the same time, articulateness in spoken and written language is expected as much as admired. There have always been French groups organized to promote the purity and proper use of French, but clarity and precision are admired generally as well. De Gaulle, for instance, was seen as a master. Thus, the attitude is not "talk is cheap," but "attend it skillfully, employ *le mot juste*". Words are telling, appreciated in all their richness (their nuances as well as direct meanings), and influential.

Nature of persuasion

Carefully developed and highly admired, skillful rhetoric touches bases of emotion and of rationality.

This is not the rationality of empirical reason but a rationality that involves logically reasoning from certain universals or principles to particulars. Part of a French person's rhetoric also encompasses the Cartesian qualities of universal doubt and pervasive questionning.

One French writer on negotiation has taken up the subject directly and explicated other French writers' recommendations for offensive and defensive argumentation. They all involve rational aspects: use of deduction, causal reasoning, logical induction, analogy, reduction to the absurd, refutation, and so on. This writer even suggests that a negotiator read Aristotle's *Rhetoric* and works in semiotics.

What actually persuades appeals to certain universal truths (experience) and feelings and preferences (intuition), and carries emotional intensity (*élan*).[33]

Form of agreement

Detailed, legally binding written agreements are preferred.

This practice rests on concerns about documentation and formality, both of which have long traditions in French diplomacy and business matters.

Written confirmation is also undertaken in smaller deals between businessmen. Generally, the individual making the request has the responsibility of drawing up a letter of confirmation for any agreements made orally. If his counterpart does not agree, he writes a counter letter; he does not send a letter when he agrees.

Negotiating with the Japanese

A homogeneous people now numbering 118 million, the Japanese inhabit four major islands collectively the size of Montana. Their history goes far back (30,000 B.C.), but this century was initially distinguished by powerful moves in international politics: acquisition of Formosa (now Taiwan), annexation of Korea (1910), and wars with Russia (1904-05), China (1894-95, 1937) and the Allies in World War II. In August, 1945, two U.S. atomic bombs caused the final physical devastation — as well as a longlasting psychological one — and a September surrender. The U.S. occupied the country until 1952, setting up a new constitution for it along the way (1947). The divine rights that Emperor Hirohito had held for 20 years were replaced with ceremonial duties, and the government now consists of a bicameral parliament (the Diet), six major political parties (the conservative Liberal Democratic Party has dominated since 1955), and a strong prime minister (Yasuhiro Nakasone since 1982). The Japanese had to rebuild their economy after the war and did so with determination and results that established a worldwide reputation. Annual economic growth from 1970-78 averaged 7.8%.

Close government-business ties characterize the economy. The government (the Ministry of International Trade and Industry, in particular) is managing the decline of coal mining, textiles, shipbuilding, and petrochemicals while targeting for growth biotechnology, very large scale integrated circuits, artificial intelligence (the Fifth Generation Project), robotics, and supercomputers. It has thus created Tsukuba Science City, a $5.3 billion "technopolis" with some 7000 scientists. The government and economy are also influenced by key financial leaders (*zaikai*) and huge economic organizations (*zaibatsu*) such as Mitsui and Mitsubishi. These ties have led foreigners to complain about competitiveness and openness (direct investment by foreigners, for example, was illegal until 1980), and that, in turn, has led the Japanese to institute some "liberalization".

Perhaps the most salient aspect of Japanese-American business is a Japanese trade surplus of $21.7 billion out of a total volume of $65.5 (Japan is the U.S.'s second largest trading partner). The figure derives from heavy flows of consumer electronics (Matsushita, parent of Panasonic and Quasar, is the world's largest maker) and automobiles, which are now limited by voluntary export quotas. There are other features of the relationship, however. Some 40 joint ventures between Japanese and U.S. companies exist in the U.S. (General Motors-Toyota, Toshiba-Westinghouse). In 1983, Japanese investment in the U.S. reached $10.5 billion, a 20% increase over the 1982 total. Fujitsu has bought into Amdahl; Nippon Kokan bought into National Steel Corp. And there are some 309 Japanese-owned companies in the U.S. (e.g. Sony in San Diego, Nissan in Tennessee, Honda in Ohio). Hitachi's search for IBM secrets hit the news, as did Lockheed's bribes in Japan. Finally, in 1983, Merck and Company bought a controlling interest in Banyu Pharmaceutical, thus becoming the first foreign company ever to buy control of a blue-ribbon company on the Tokyo Stock Exchange.

Americans are coming into contact with the Japanese more and more, through travel, by both groups, and through a profusion of literature. The greatest contact, however, is with Japanese artifacts: a decorative plate of *sushi*, sculpted *bonsai* trees, martial arts, even a Technics stereo. But in interacting with the Japanese people themselves, beyond common catchwords like "face" and "collectivism," there is much to learn.

Basic concept of the negotiation process

Contingency bargaining. Dysfunctional, nonzero sum. Indirect, avoidant. Collaborative.

Maintaining harmony (*wa*) in relationships is an important ideal for the Japanese, one that is reinforced by norms concerning obligations to others (*giri*) and duty (*on*) and by the importance attached to others' attitudes and benevolence (*amae*). Application of this ideal practically precludes open conflict: an inferior is expected to defer automatically to his superior. The inferior knows his proper station in life but also benefits from the superior's guidance and understanding. Open conflict would shake the legitimacy of this structure. One non-native writer has argued that "harmonious cooperation" is one of two ideals of conflict resolution: the other is a "warrior ethic" (*bushido*) of assertiveness and persistence. The latter furthers understanding of some aspects of Japanese negotiation, but harmony seems to be the predominant goal and guide.

In this light, negotiation in a formal setting with each party advocating its own positions is rather undesirable. Unplanned compromises, submission to threats, admission of inconsistencies, and other such possibilities make it a face-threatening event. The Japanese prefer to use such settings to "ceremonially adopt what has already been worked out".

They see negotiation as a generally irrational, fluid process, and their assiduous preparations notwithstanding, they often wait for counterparts to present their positions first. (Buyers, especially, will do so, since they are treated with deference and greater respect than salesmen in Japan.) Some writers maintain that Japanese negotiators will not ask for much more than they need (although they will offer less than they can eventually offer). In any event, instead of addressing issues directly and openly stating positions and counterproposals (the *erabi* style), they prefer the *awase* style of having to infer parties' positions.

To some foreigners, this behavior appears distributive. The Japanese often repeat positions, use highly ambiguous language, and employ practices in one situation but not another. The last of these reflects a pragmatic emphasis on the particulars of a situation rather than application of general rules. The first two traits probably have less to do with the foreign counterparts than they do with the Japanese negotiators' responsibilities to internal, consensus-built groups.

For them, the goal of this process is a "just, proper, and fair" deal and more generally, a long-term relationship.[34]

Most significant type of issue

The Japanese concentrate on relationship-based issues but also keep in mind elements of the three other types.

The sincerity and good intentions (together, "good faith") of counterparts are considered very important. Emotional sensitivity is also valued. The significance of these and other relationship issues is demonstrated by the initial use

of go-betweens (who can, among other things, vouch for negotiators' reliability); gift-giving, entertaining at night, and other initial and ongoing attempts to develop close and personal working relationships; and the value accorded to loyalty and long-term relationships. During Toyota's joint venture negotiations with General Motors, Toyota's chairman told the press that his company was assisting GM in its time of need. That he would even offer this idea reflects his view of what mattered, whether to him or to his audience.

With respect to substantive issues, the Japanese tend to offer a price close to what they need and often resist adjusting it. That resistance does not stem from a profit motive so much as a felt responsibility to constituents and superiors. As a result of the internal bargaining that takes place before a negotiation, the Japanese offer what they see as "correct, proper, and reasonable." (Note that these "positions" tend to be fused with personal issues such as "face.") Foreigners' development of fallback positions in advance struck one anonymous Japanese diplomat as indication that they know their first offers are "unreasonable."

With respect to procedure, a deliberate proposal-counterproposal approach tends to be difficult for the Japanese. Because consensus must be built within the team and organization, they often take what foreigners see as a long time to respond to new proposals. Some observers strongly advise against attempts to split up a Japanese negotiating team.[35]

Selection of negotiators

A team of individuals is selected on the basis of status (sex, age, seniority) and knowledge.

Within Japanese culture generally, status is an important element of relationships and interaction. It determines language use, for one thing. An intensive, nation-wide examination system for students reflects some concern for ability, but personal associations still seem paramount. The university one attends often determines one's career. (Graduates of Tokyo University tend to enter the foreign ministry, for example.) In business, company name is more prestigious than an important title, especially if one works for a *zaibatsu*. At the same time, titles play a significant enough role to have warranted the adoption of a standard status system by 40% of all major companies.

With respect to negotiator selection, the Japanese usually designate a team of males, at least one of whom serves as the symbolic head. More specifically, according to two researchers, a Japanese business negotiating team typically consists of five positions: 1) an individual who introduces the parties initially and facilitates the signing ceremony; 2) operational staff; 3) middle managers; 4) the chief executive officer; and 5) a mediator for any disputes. Other writers contend that a CEO generally joins a team only to arbitrate; that middle level managers perform tasks done by higher officers in the U.S.; and that the most talkative individual does not necessarily have decision-making authority. In government and business negotiations, the presence of a leader with status (seniority, age) is often considered important.

The qualities admired and sought in Japanese negotiators include commitment ("great efforts"), persistence (strength of will), ability to gain respect, credibility, listening skill, pragmatism, and a broad perspective (knowledge).[36]

Individuals' aspirations

For foreigners, collectivism stands as the quintessential trait of the Japanese, but its omnipotence seems to be changing slowly.

Anthropologists consider traditional rice cultivation procedures a major cause of this attitude, but whatever the origins, one can see much evidence and reinforcement of collectivism today. Consider the intensive, group training of employees selected when they are young; group advancement (up to a point); office layouts that consist of desks for all ranks in a large space without walls; consensus decision-making; the fostering of competition between rather than within groups; lifetime employment (in some 40% of the major companies); and so on. An adage makes this orientation appear even more powerful: "The protruding nail is hammered down" (*"deru kugi wa utareru"*).

In a recent advertising campaign, however, Sony adopted the following message: "It is said that a protruding nail is struck on the head. But it is such people that Sony needs. We are seeking protruding people." Usual working conditions have also been altered for the specialists involved in artificial intelligence (the Fifth Generation Project) in order to foster creativity. In short, Japanese in business and government have become concerned about and are reacting to constrictive features of collectivism. Changes seem to be taking place in the culture at large. The president of a biochemical laboratory in Japan recently said:

> If the person is over 40 years old, I tell him he should do something because it is first good for Japan, good for the company, good for his family, and finally good for him. If the person is under 40, I tell him he should do it because first it is good for him, good for his family, good for the company, and finally good for Japan.

This Western idea seems to be drawing an increasing audience, but it is difficult to see now how penetrating it is or will be.[37]

Decision-making in groups

Consensus-building is the norm.

One writer has suggested that "direction-taking" may be a more fitting term for the process than decision-making because the latter does not capture the Japanese process and suggests a "finite and isolated" act by executives. Indeed, in Japan, initiatives are taken by those likely to be directly affected (middle management) and are prepared carefully for acceptance (the concept of *nemawashi*). In government, this bottom-up process involves preparation (*jumbi*), fusion via informal understandings and ministerial conferences (*goketsu*), and decision by the appropriate group (*kettei*), e.g., the cabinet. In business, it is the well-known *ringi* system.

Ringiseido literally means "a system of reverential inquiry about a superior's intentions." To solve a problem, a manager typically obtains his department's support then consults the other departments concerned until he has sufficient supporting information for his plan and an informal agreement among all of the departments involved. Then a formal document of request that outlines the plan is drawn up, circulated, usually approved (with some 10-12 managers' seals of approval), and sent up to top management for a final go-ahead. By this point, to decide is to implement.

For the sake of thoroughness here and with the Lockheed scandal not too historically removed, it seems important to add a contrasting observation: "Wheeling and dealing, bribery, coercion, collusion, threats and violence (including assassination) are as much a part of Japanese politics as they are of Japanese life."[38]

Orientation toward time

The Japanese have a long time horizon, but they can be punctual in some areas and unconcerned in others.

Punctuality is tightly adhered to in some areas, such as appointments and train schedules. Business lunches are passed up in favor of socializing after hours because of the time they take. Yet the Japanese do look at the long term: they may offer a price reduction for a business partner in hard times because they look to the future and the broad picture. Similarly, product quality and other criteria may be considered more important than a deadline. One U.S. businessman said, "Their time values are a great deal more lax than ours, and if you press them into agreeing to schedules that are not realistic from their viewpoint, it is your fault when they don't follow through." Remember that the Japanese do not believe that everything (nature, circumstances) is within their control.[39]

Risk-taking propensity

In general, the Japanese seem averse to uncertainty and risk.

In the cross-cultural survey by Hofstede, the Japanese ranked fourth highest among 39 cultures — high above the mean — in their avoidance of uncertainty. This result seems consistent with concerns about face, among other things. One scholar of Japanese diplomatic negotiations has identified risk-avoidance (*kiken kaihi*) as one of two key principles in Japanese diplomatic and bargaining action.

The period studied, however, was pre-World War II, when Japan entered an arena filled with much more powerful actors. According to the scholar's explanation, the Japanese saw negotiation as face-threatening, an occasion for possible failure; one wonders whether conditions have changed enough in business and government in the years since to mitigate this concern. In contrast, a second study of Japanese businessmen found them high in risk-taking indicators because of their adaptability and openness to change.

This variable clearly deserves further consideration.[40]

Bases of trust

Trust rests on past record and otherwise on intuition.

Mutual trust and respect matter a great deal in Japanese business. In first-time

negotiations, the Japanese often attempt to deal with small issues singly at the outset in order to test counterparts' reactions. Night entertainment also serves as an avenue for learning about the personality and character — including trustworthiness — of counterparts.

Trust has to be developed, however, and often comes slowly. The president of an American import-export company in Tokyo has asserted that "It often boils down to the old friend who went to school with you or grew up with you in Osaka." Once a good relationship develops, the Japanese do put trust — and loyalty — into it. Speaking of his American supplier, the president of a Japanese vending-machine company said, "We want to stay with Mr. Karepetian because we respect and we believe in him."[41]

Concern with protocol

Conservative conduct and formal politeness are important.

Relevant rules for conduct in Japan include the use of go-betweens for initial meetings rather than "cold calls"; formal greetings and partings (bows, handshakes, or both among Japanese; handshakes with foreigners); exchanges of business cards (*meishi*) at the beginning of meetings (so rank and status can be determined and guide conduct); conservative dress; and use of titles and last names.

The senior negotiator on a Japanese team generally sits in the middle of his team on one side of the table (rather than at the head). According to one account, those who have authority to make a deal sit to his immediate left and right; those with lesser roles sit at the two ends.[42]

Communication complexity

High complexity describes the context for communication.

"How childish it is, she said to herself, to speak aloud what you think." That line from the fictional but informative *Shogun* is reiterated by a real businessman: "Anyone who can neither read another person's mind nor let the other person read his mind is not worth a damn in Japan." Indeed, reserved and self-controlled in their communication, the Japanese have traditionally relied on indirection and reading between the lines.

The Japanese do distinguish between what is said publicly (*tatemae* meaning "truthful") and what they think (*honne*, meaning "true mind"). The former is intended to facilitate positive interaction. So is an openly acknowledged communication strategy called *haragei* that entails use of vagueness, ambiguity, and certain paralinguistic cues (e.g., the "pregnant silence," "*sho ga nai*" ["It can't be helped"], and sucking in breath through the teeth [indicating consternation and worry]).

The Japanese language itself is complex. One generally omits references, for example, as in "*Ikimashita*" (roughly, "Went"). The listener must determine by context whether it is "I went," "He went" or "They went".

For negotiators, positive and negative responses merit special attention. One Japanese businessman advises: "Never take a smile for yes. Never take yes for an answer." A smile often indicates embarrassment, and "yes" simply signals comprehension. It can also be the result of a reluctance to offend by saying "no," although a more common one is the expression "It is difficult" ("*Muzukashi desu*"). For an actually positive response, the Japanese often say "I agree" and proceed to elaborate.

Some nonverbal patterns include dislike of open displays of emotion, limited touching, preference for space between speakers, and sometimes restricted eye contact due to deference. Many of the traits above complement a basic concern for minimally disruptive, generally harmonious interaction. Some writers point causally to times when extended families lived in one house in which walls were no thicker than rice paper. Today, however, younger people are evidently showing less skill in the ways of *haragei* and tending toward more direct conversation.[43]

Nature of persuasion

The Japanese see logic as "a bit cold, sterile, and impersonal."

The very idea of persuasion in negotiation seems to run against the grain for Japanese. They place more emphasis on the provision of extensive, detailed information, especially when they are the buyers in a negotiation. Exposition, rather than argument, also characterizes internal negotiations. Individuals sense the direction of group opinion as it evolves.

In a sales presentation, a seller typically begins by discussing the background of the interaction then goes on to present some of the thoughts and feelings of the people involved and an account of major actions or events. Then he expresses sorrow or regret for a request and finally, makes the request.

In terms of the values suggested earlier for this variable, one might emphasize intuition, experience, and emotion (sensitivity, not passion).[44]

Form of agreement

The Japanese tend to prefer brief, written agreements that set forth basic principles, but a gentlemen's agreement often has even more force than a legal contract.

One writer said it very well:

> The Japanese view is that a contract is a piece of paper and people are human beings. Should there be an obligation of one person to another person, then society expects the obligation to be honorably discharged. The penalty for failure ... is dishonor of oneself, one's name, and one's family, perhaps for generations to come.

After all, contracts can be nullified or abrogated by the impersonal, legal process. Thus lawyers' roles are kept to a minimum. An understanding between the parties and mutual trust seem to be much preferred.

Whereas American agreements can run some 100 pages, Japanese firms keep theirs to 2-3 pages. The agreement primarily contains comments on the principles that the parties have agreed to use to guide their relationship. Parties may thus respond to any changes in conditions that later occur.[45]

Negotiating with the Mexicans

"The history of Mexico," as one native has written (Paz 1962:20), "is the history of man seeking his parentage. He has been influenced at one time or another by France, Spain, the United States, and the militant indigenists of his own country ...". A major revolution (1910) and prolonged civil strife marked the early 1900's, but a federal republic was established in 1917 and with it, the Partido Revolucionario Institucional (PRI) that still monopolizes political life. Some writers have called it the most stable political system in Latin America, a system bolstered by the oil boom of the 1970's. Since then, however, social and economic conditions have deteriorated to *las crisis*: high income inequality, annual unemployment of 26-28%, heavy migration to the cities (Mexico City has a population of 16 million), and annual inflation of 63% in 1984 (81-117% in 1983). These problems, along with a history of government corruption and the stirrings of the first viable opposition parties, were among those taken on in 1982 by the new president, Miguel de la Madrid.

De la Madrid has described his approach to the economy as "state rectorship." It is a mixed economy, with government control extending to financial institutions and such basic industries as petrochemicals and steel. Some 800 companies are state-run. National development plans have set forth priority sectors and regions as well as strict regulations on foreign investment. The Computer Decree of 1981, for example, stipulates Mexican majority ownership and various performance requirements for joint ventures with foreigners. A foreign debt of $88 billion has forced some modifications, though, especially to accommodate foreign investors with desired technology and plans to source locally and to export.

Economic ties between Mexico and the U.S. are well established. Their trade volume hit $26 billion in 1983, which made Mexico the U.S.'s third largest trading partner. Americans supplied 68% of all foreign investment in 1983, and U.S. banks hold one third of Mexico's foreign debt. Over 2900 U.S. companies have operations in Mexico, and this figure will continue to rise as those with labor-intensive production take advantage of low wage rates. Companies making recent investments include Ford, Hewlett-Packard, Apple, and Sheraton.

Over the last few years, U.S. residents have heard much about the heavy flows of Mexicans across the countries' shared 2000-mile border and about their work in the U.S. Various impressions have been formulated in the process. (Mexicans have their views, too, one of them captured in the popular expression "*Pobrecito Mexico - tan lejos de Dios, tan cerca a Los Estados Unidos*" ("Poor little Mexico, so far from God, so close to the U.S.")). The North American views of Mexican culture that seem to have the longest history, however, center on the relaxed attitude toward time, and the spontaneity and liveliness of *fiestas*.[46]

Basic concept of the negotiation process

Distributive bargaining. Zero-sum. Indirect, avoidant. Competitive.

"The Mexican views life as combat . . .," the writer Octavio Paz has suggested. "In the United States man does not feel that he has been torn from the center of creation and suspended between hostile forces. He has built his own world . . . To us a realist is always a pessimist. And an ingenuous person would not remain so for very long if he truly contemplated life realistically." So Mexicans seem to adhere to the concept of "limited goods" and to assume competitive postures.

That does not necessarily entail openly, honestly verbalized disagreements, however. According to one observer, Mexicans see diplomatic negotiations as formal occasions for distinguished rhetorical performances concerning "grand ideas" and general principles. In business negotiations, they expect counterparts to socialize with them for a time before getting down to business. Still, Mexicans apparently see little value in frank exchange, prefer behind-the-scenes bargaining, and believe "*manas son mas fuerte que fuerza*" (roughly, "tricks are greater than force"). One Mexican explained:

> . . . all of us Mexicans have something to hide. Maybe a bribe given or taken, or taxes that we owe. Take my dear old aunt: she goes to Mass daily but drives her car without a license. When a policeman stops her, she says, "This is your chance for a good deed today." She gets away with it.

A broad generalization, yes, but consider the implied attitudes.[47]

Most significant type of issue

For Mexicans, relationship-based and personal-internal issues tend to predominate and affect other types of issues.

Mexicans emphasize the social and personal aspects of their relationships (e.g., trust) with people they encounter — businessmen included. At the outset of a meeting, for example, conversation is social. As one saying goes, "One works to live; one does not live to work."

With regard to North Americans, many Mexicans resent what they see as a long history of unfair treatment. This attitude is bolstered by the importance Mexicans generally place on good relationships and by their tendency to evaluate new relationships intuitively and often quickly.

These social ways of business and the culture tend to bring to the fore issues such as personal honor and dignity. To some observers, they make the bargaining within a Mexican team even more difficult than that with foreign counterparts. Much is expected of leaders, so much, for example, that their seeking information from or consulting subordinates can be criticized. At the same time, the leaders, too, have concerns about reputation and self-esteem.

Selection of negotiators

Negotiators are selected primarily on the bases of status (political affiliation, relatives) and personal attributes.

Among Mexicans, family, political, and personal ties greatly influence an individual's position, power, and advancement in business and government. Loyalty is an important personal attribute in that it is often valued more highly than expertise. This general penchant is both allowed constitutionally and realized in current politics, de la Madrid's "technocrats" notwithstanding. By constitutional mandate, the President appoints the Mayor and the Chief of Police of Mexico City and the heads of state-owned companies. For the oil company Petroleos Mexicanos (Pemex), former President Lopez Portillo selected his associate, Jorge Diaz Serrano, a man later indicted for bribery and now replaced by Mario Ramon Beteta. The leader of the country's largest union, Fidel Velasquez, has held his position for over 40 years and has so much power within the government that he was one of three or four people to approve of de la Madrid as the PRI's presidential candidate. Hence the importance of *ubicacion* (where one is plugged into the system).

The individuals with whom American business people negotiate tend to be high level (a Mexican preference in negotiating), male, and well-connected. They are also able rhetoricians and tend to call effectively on the force of their personalities.[48]

Individuals' aspirations

Whether Mexicans are individualistic or collectivist seems to depend on the social arena.

In business and with other men generally, Mexican men tend to be very competitive, set on pursuing individual goals and needs for recognition. Leaders understandably display these traits; Mexicans expect them to do so. Employees and others also display them, for while they owe loyalty to their *patron*, they also seek to project publicly an aura of personal significance and power. An image of success, decisiveness in one's personal affairs, and the aforementioned traits all relate to *machismo*.

In family and social relationships, though, there seems to be a strong collective orientation. In Hofstede's cross-cultural study, for example, Mexico ranked even lower than collectivist Japan in level of individualism

(defined as the importance of having a job that allows sufficient time for a full personal or family life).[49]

Decision-making in groups

Decision-making is highly centralized.

In government, in companies, and within negotiating teams, leaders in Mexico tend to make decisions without concern for consensus. Subordinates' abilities are not highly valued. At the same time, subordinates accept leaders' broad use of power. In the study of 39 cultures, Mexico ranked second highest in acceptance of power distance (hierarchy, inequality, etc.). Consider also such complementary variables as individuals' aspirations and bases of trust.

Decision-making power does not simply come with position, however. Individuals with *palanca* (leverage) tend both to be well-positioned and have expressive, forceful personalities.

La mordida (payoffs for traffic violations) and bribes in general also continue to influence decision-makers despite de la Madrid's crackdown.[50]

Orientation toward time

There is a relaxed, polychronic attitude towards time.

Although time is a concern, Mexicans do not allow schedules to interfere with experiences involving family and friends. Even with business acquaintances, they take time to talk and socialize. In short, the culture is people rather than task-oriented.

The *siesta*, a regular two or three hour break in the afternoon (2:30-5:00 p.m.) of a work day, illustrates this popular orientation. Even business and government people who do not take a *siesta per se* take 11/2-2 hours at that time to lunch and to socialize.

Risk-taking propensity

Mexicans tend to avoid risk more than Americans do.

As stated in an earlier quote, Paz has noted: "To us a realist is always a pessimist." Hofstede's study supports that view: Mexico ranked 11th out of 39 in avoidance of uncertainty. France ranked higher, and Japan higher still.[51]

Bases of trust
Evaluations of trustworthiness are based initially on intuition, then on past record.

Among themselves, Mexican men suspect others who are not relatives, according to Paz. Other native observers contend that negotiations often take place within a generally trusting atmosphere. However, if one party harms the other personally, financially, or socially, trust is completely lost.

In their encounters with North Americans, Mexicans do tend to be especially suspicious. Trust must develop through a series of frequent and warm interpersonal transactions. Remember that its importance is underscored by the personal issues often at stake (honor, self-esteem, etc.) and that much business goes on between individuals who have close relationships.[52]

Concern with protocol
Protocol is important to know and to follow.

As one observer put it, "social competence" is more important than "technical competence" in Mexico. He continues:

> They [Mexicans] like to see themselves as more reserved, able to maintain dignity, not like the Americans, who, they say, are like frogs — every time they open their mouths they expose everything inside.

Mexicans value form and ceremony, due perhaps to their Spanish heritage.[53]

Communication complexity
Communicative context is formed by body language and emotional cues, not just diction.

Mexicans communicate with hand movements, physical contact, and emotional expressions. Social distance is closer than in the U.S. The comparison is not lost on the Mexicans. They have a saying that "Americans are cold in feelings and in conversation."

Insofar as words themselves are concerned, frankness and openness should not be taken for granted. As Paz explains it: "The Mexican tells lies because he delights in fantasy, or because he is desperate, or because he wants to rise above the sordid facts of his life." In negotiation specifically, he will also "tell lies" if circumstances call for them.[54]

Nature of persuasion
Emotional bases tend to be especially persuasive.

"The Mexican succumbs very easily to sentimental effusions." This contention of Paz's goes along with American observers' notes that Mexicans' arguments seem overly dramatic, emotional, and patriotic. Along these lines, there is the concept of *proyectismo* (constructing plans without critical analysis and assuming them to be accomplished fact). Perhaps much of this stems from the twin origins of Mexican culture: the Indian, based on magic and superstition, and the Spanish, based on imposition, dogma, and faith.

With respect to negotiations with foreigners, especially at government and corporate levels, Mexicans may be persuaded more by the rhetoric of experience than emotions. Paz writes that "North Americans want to understand, we want to contemplate." So one can see in Mexicans' rhetorical styles emphases on general aspects of a negotiation and general principles to apply to specific problem areas and minimization of evidence and protracted, critical analysis.[55]

Form of agreement
Mexicans tend to prefer implicit agreements.

Laws and legal instruments have been manipulated through payoffs and other means to such an extent that Mexicans have little faith in them. Oral agreements with close, personal acquaintances are preferred. But written agreements and contracts are bound to be sought from foreigners.

Negotiating with the Nigerians

This West African region was a colony of Great Britain from the late 1800s to 1960, when it became a federal republic. Over 300 tribes with their own languages live in the country (making it the most populous in Africa), and its territorial boundaries often split them up. Three tribes predominate: the Hausa-Fulani, a tradition-bound, ultraconservative group of Sunni Muslims residing in the north; the Yoruba, Christians and non-Christians in the west who have provided a large portion of the national elite — highly educated politicians, judges, senior civil servants, and wealthy entrepreneurs; and in the east, the Ibo, a very competitive, Christian tribe stressing individual initiative and achievement. The Ibo and Hausa-Fulani clashed violently from 1967-1970 (Biafran War). During and after it, various military factions staged *coups d'état* and took over the government. In 1979, a new constitution was completed, and a civilian, Alhaji Shehu Shagari, was elected president. Blamed for rampant corruption, he was overthrown in December, 1983, by Major General Mohammed Buhari, who heads a Supreme Military Council. His government is the most northern and Islam-oriented of recent times.

The country has a mixed economy in which the government controls or owns companies dominant in public utilities and basic manufacturing. A member of OPEC, Nigeria has drawn at least 33% of its GDP and 80% of government revenues from petroleum. Shortages of skilled labor, a weak infrastructure (especially in ports, power, land transport, and communication) hindered development during the oil boom. Shagari pushed a return to self-sufficiency in food production and promoted industrial development through foreign investment (Fourth National Development Plan, 1981-1985). Joint ventures are regulated by the Nigerian Enterprises Promotion Decree of 1977, which sets aside areas exclusively for Nigerians (oil production, business management services, advertising, etc.); areas for at least 40% equity (e.g., high technology), and areas for companies with 40% or less Nigerian equity interest (drugs and tobacco manufacturing). Nigeria also participates in the West African economic community ECOWAS.

With the United States, total volume of trade reached $4.7 billion in 1983 (Nigeria imports more from Great Britain and Germany). Some 40% of its exports go to the United States, most of it oil. Nigeria is the U.S.'s third largest supplier. IBM located there, but pulled out in the late 1970s.

Described by an American journalist in the 1960s as "Texas on the Guinea Gulf, a raw masculine country — sincere, well-meaning, brawling, and lusty," Nigeria is a country Americans seem to know little about. Some details about the government are emerging as Americans, like others, are caught in its "War Against Indiscipline" and its harsh penalties. The country's diversity makes spurious any attempt to talk about Nigerian culture as a whole, though, and there is little information available about specific tribes. The discussion below is based on the Yoruba and Ibo.

Basic concept of the negotiation process
Distributive. Functional, zero-sum. [Indirect? Avoidant?] Competitive, individual gain.

With foreigners, the Ibo and Yoruba have a marketplace attitude toward negotiation: they see it as a means of achieving limited objectives through compromise and bargaining. Experienced foreigners are expected to deal with customers directly. The inexperienced usually go through middlemen: a triangular relationship is set up in which middlemen provide the contact and bargain with state officials and businessmen.

One foreign executive observed: "This is a beautiful place for business, because everyone keeps talking ... everything is in flux, everything is negotiable. That's why you need a hustler, an expeditor." Another remarked: "This [Nigeria] is the most corrupt country in the world ... therefore, it's necessary to buy protection [and influence]." In 1976, Lockheed, for example, admitted paying $3.6 million in "dash" [under-the-table payoffs] for a $45 million deal. Although going rates exist, the amount of dash or the "mobilization fee" is often the primary matter negotiated with foreigners. They almost universally range from 50-100% of the value of the contract sought.

Among the Yoruba and Ibo themselves, disputes arising out of business tend to be settled at home, through arbitration by a mutually respected authority figure. Resort to courts is infrequent and signals the end of a business relationship.[56]

Most significant type of issue
Relationship and personal-internal issues seem to predominate.

Relationship concerns overshadow the competitiveness of prices, quality of product and other substantive issues for a number of reasons: the pivotal role played by middlemen, an emphasis on short term rather than long term gains, and the omnipresence of dash. With Americans in particular, Nigerians generally seem repelled by pushiness and a strong task orientation, which are considered manifestations of the U.S.'s superiority complex. A style that reflects respect, empathy, and sincerity is preferred. Friendships facilitate business dealings.

These issues are heightened by the paramount significance attached to individual prestige and by Nigerians' generally proud attitude toward their country's role in Africa. Elders, among others, are to be respected, for age is equated with wisdom.

Selection of negotiators

The primary criteria are status and personal attributes.

Mentor relationships and tribal ties have strongly influenced the placement of individuals in government positions. However, some businessmen evidently refuse to hire members of their own tribe because they think it encourages demands for favors and undercuts good performance.

Personal bearing and image are also highly regarded. Hence, in part, the importance attached to educational credentials. In the British tradition, the individual with a generalist, literary education is considered more capable than one knowledgeable about a particular industry. A Ph.D. carries great weight: "Without a Ph.D., you of course cannot get an article published in the newspapers, not even a question or letter to the editor."[57]

Individuals' aspirations

The extent of individualistic behavior depends on the context because ethnic collectivism continues to run strong.

Many Nigerian businessmen — perhaps the Ibo, in particular — have been described as "get rich quick" men. This orientation flows from both the political system and tribal emphases. Note the earlier references to prestige, power, and wealth. The dominant elite in Lagos, the capital city, pursues them with a broad range of political favors and sanctions.

But for many, ties to the tribe remain strong. When government administrations have changed leadership, the new leader has often brought in members of his own tribe. By some accounts, stealing within one's own tribe is condemned, while stealing from outsiders is condoned, particularly if some of the wealth is brought back to the tribe. More generally, businessmen may simply try to arrange agreements that have benefits for their extended families or tribes.[58]

Decision-making in groups

Decision-making is highly centralized.

Powerful individuals make the decisions and they tend to do so without having delegated much to subordinates or consulting others. In short, the patronage and power associated with a high position is not easily shared. As one Nigerian has written, "It is common practice in purely Nigerian organizations ... to postpone decisions on very urgent matters just because the incumbent official is on leave and no one else can act for him." A final decision will depend on the personalities of the individuals involved and the personal gains they see. Furthermore, any business venture of significance must involve government officials. These patterns may be traced to autocratic traditions.

Orientation toward time

Time is generally treated casually.

Even the simplest transactions require a great deal of time by American standards and the attention of a senior employee. This is more than a fact of bureaucratic life; time is simply considered flexible. Lateness to meetings (even of several hours) is common. In the same vein, the foreigner who hurries through a negotiation — even after a very late start — will often be suspected of cheating. Punctuality is becoming more important in some of the larger cities, though.

Risk-taking propensity

At least among Ibo and Yoruba, individuals do not seem risk averse.

These groups have taken great risks for large short-term gains. This willingness persists, as evinced by the continuing corruption in the government and in business. Several governments have attempted to eliminate it by threatening severe punishment, but those efforts have yet to succeed. Bear in mind, nonetheless, that the current administration is the most conservative of modern times.

Bases of trust

An essential element of successful negotiation in Nigeria, trust is based largely on friendship (past record).

Nigerians generally attempt to get to know their counterparts before making business transactions. They look to one's credentials (advanced degrees) and expertise, but middlemen usually establish initial contacts. Once friendships have developed, even a foreigner will be considered a member of the family and looked upon with favor during negotiations.

This tendency toward personal bonds is reinforced by the pervasiveness of corruption in recent governments. Legal sanctions do not offer a guidepost for confidence or trust.

Concern with protocol

Certain rules and expectations are very important.

Initial introductions must be made by middlemen. Titles, including one's degrees, are used widely. For example: "Chief the Honorable Alhaji Igun Wagaba, M.A. (Oxon), Ph.D. (Harvard). F.R.S.C.. Q.C.E.. O.B.E. Director." Titles generally reflect power. Formal invitations and appointment-making are not common, however.

Communication complexity

Nigerians generally place a lot of emphasis on nonverbal communication, but exact nuances differ from tribe to tribe.

The official language is English, and many Nigerians that come to the U.S. come across as eloquent rhetoricians. In Nigeria, however, words apparently do not mean much. Meanings are subtle and internalized, and there is moreover a high tolerance for ambiguity.

Nature of persuasion

Emotion, experience, and intuition more than empirical reason are the persuasive bases of argument.

Many of the traits cited above reflect these bases: the emphasis on tribal

loyalty, force of personality, and aggressiveness. Even the mystical is invoked when dealing with compatriots.

A foreigner should also recognize the dearth of detailed, reliable information in the country. The margin of error for reported unemployment figures, for example, has ranged from 25-50%.

Form of agreement

Generally, agreements are written but regarded as flexible.

Although Nigerians do pursue written agreements, a practice encouraged by the British, many agreements are spontaneous and verbal. The key to commitment is not legal enforceability but "an understanding" under which obligations of each party are clearly defined and matched with respective rewards.

Negotiating with the Saudis

Like the Chinese, Mexicans, and Nigerians, the Saudis have experienced a major revolution in this century: a social and technological one. Within the last 20 years, they have become one of the richest peoples in the world and have shifted from a longstanding nomadic (bedouin) existence to urban settlements equipped with the most modern of available technologies. The Saudis were pulled together formally by Ibn Saud, who had spent 30 years consolidating contiguous territories and in 1932, established the Kingdom of Saudi Arabia. Since then, the people have been governed by a monarch selected by and from among the 3000 princes and princesses comprising the royal family. There is a council of 21 ministers under the King's leadership; there are no political parties. Even the royalty, however, follows the fundamental, defining characteristic of the Saudis: their religion, Islam. Their daily affairs as well as government practices adhere to the Islamic holy book (the Koran) and more specifically, to Islamic law (the Shariah). Even tax and legal systems are based on it. The Saudis, moreover, are keepers of the two places holiest in Islam: Mecca, the birthplace of the Prophet Muhammed, and Medina, the city of the Prophet's burial ground. Amidst these traditions, the Saudis, whose national population numbers 8.7 million (36% of whom are resident foreigners), continue to see changes: new schools, universities, and medical facilities, free medical care, and much more. Oil production dominates the Saudi economy.

The first discoveries were made in the 1930s, and large scale production began after World War II. Saudi Arabia is now the second largest producer in the world and the largest exporter. Some 89% of government revenue derives from these exports. The government's development plans in the 1970s addressed infrastructure. The third plan, for 1980-1985, continues infrastructure development but emphasizes education, in order to reduce dependence on foreign labor, and expansion and diversification of the productive sectors of the economy. Two large industrial cities, Jubail and Yanbu, are being developed as part of that effort. The government has also provided incentives and policies to the growing private sector (industry, agriculture, banks, construction companies) and is encouraging foreign investment, particularly through mixed ventures.

With respect to Americans, total trade between the two countries reached $11.7 billion last year. Saudi Arabia is the U.S.'s sixth largest market worldwide. For the U.S., Saudi Arabia has been a reliable source of oil (in mid-1982, it was providing 13.2% of U.S. crude oil and petroleum products), and U.S. oil companies have been heavily involved there. ARAMCO, for example, was originally owned by Exxon, Socal, Mobil, and Texaco. Bechtel is overseeing construction of Yanbu and Jubail. Petrochemical plants there are being built jointly by Sabic (Saudi Basic Industries Corp.) and Mobil, and by Sabic and Exxon. From 1970-82, the Saudis entered some 1260 joint ventures with Western firms (a tenfold increase) and invested some $156 billion in the West from 1973-83.

Some 65,000 American workers and their dependents live in Saudi Arabia but Americans as a whole know little about the country and people. Perhaps the most commonly known cultural trait has to do with dress and segregation of the sexes. As with each of the five preceding cultures, however, there is much more for an American negotiator to consider.

Basic concept of the negotiation process

Joint problem-solving (and nondirective discussion) mixed with distributive bargaining. Dysfunctional. Indirect, avoidant. Collaborative.

The Saudis are very sensitive to criticism, open confrontation, and directness and tend to respond to it indirectly. Faced with a conflict, they offer reasons for delays which eventually are insurmountable. The Koran (or *Qur'an*) advises inattention to "ignorant" people who taunt and cause difficulties and forgiveness of those who insult and injure.

With respect to negotiation, consider the following passage:

> The qualities it [the Koran] demands first of a negotiator are understanding and sympathy, mildness and moderation, love and understanding as opposed to force and compulsion, arrogance and conceit, intimidation and coercion. It inculcates persuasion as against the display of strength and severity. The other qualities ... are patience and perseverance. One must proceed slowly and cautiously, one must show tolerance and possess a readiness to understand the point of view of one's opponent; one must aim at winning over his heart.

These beliefs complement some of the ways and patterns discussed below. A European manager said, "It took several months for me to realize that what looked and sounded like social talk and playing around was in fact the most preferred mode for Arab managers to discuss business, solve problems, or make decisions."

On the other hand, one non-native writer has underscored the conflict proneness of Arabs and "age-old virtues of manliness, aggressiveness, bravery, heroism, courage, and vengefulness." He quotes one informant as saying: "They fight first, and then inquire as to the cause of the fight. This is our way of life in Yemen." Whether or not these generalities hold for Saudis, the Saudis do not necessarily follow the ideals above. They bargain — compromising and standing fast. Some writers contend that the Saudis enjoy the dynamic of bargaining and to support that view, point to a history of trading and to bedouin ways.[59]

Most significant type of issue

Relationship-based issues are paramount, but personal-internal issues are also significant.

In general, Saudis take a personal rather than task orientation. Their negotiations reflect it: before any direct discussion of business, time is spent socializing. Then, as one European executive put it, "... you may bring out the subject in an 'incidentally' or 'by the way' manner, even though the problem at hand is an important one ..." This may be traceable to bedouin patterns for within-group relations, but the Koran, as interpreted by one writer, also reinforces it

> ... he [the Muslim] is gentle and courteous and in fact forgiving while dealing with friends and foes. He avoids all vain discourse, he invites and argues in

> ways most gracious, his words are gentle, his manner is graceful, he is unfailing in courtesy, and he says what is best, without hurting the susceptibilities of any person or party.

The Saudi's loyalty to his family, his placing it above much else, again speaks to the importance of relationships to the Saudis.

Strong societal norms of hospitality have fused business, social, and personal life, so it is not uncommon for close friends to drop into an office for non-business talks over tea. Similarly, business — especially government negotiation — is often conducted in public, so one's competitors may sit in on the discussions.

In addition to relationship concerns such as trust, there are personal issues such as manliness, pride, reputation, and honor (*sharaf*). And substantive issues — prices, specifically — have become more important to Saudis as a result of previous negotiations in which they felt others took advantage of them. They seek a fair deal. Often they have several different asking prices, each with a different meaning, and negotiation pivots on one of them. One should know market price.[60]

Selection of negotiators

In government and in business, Saudi negotiators tend to be males selected on the basis of status (family and personal ties) and loyalty.

The predominance of these criteria shows up readily in the government, specifically with respect to the royal family, and its members become involved in business negotiations as government representatives but also as private businessmen. Indeed, for major projects, American business negotiators will probably negotiate with a member of the royal family. But even other Saudi negotiators are selected for their ties and loyalty.

These criteria follow from the paternal, hierarchical family structure in Arabia, the predominance of obligations to one's family, and traditional aversions to organizational procedures and systems. Extreme importance is placed on honor, especially family honor, and it can be affected by relatives as well as oneself. Hence the critical import of trustworthiness and loyalty. As one writer puts it, "The attitude of 'loyalty first, efficiency second' within organizations seems to be in accordance with the larger societal values of group loyalty, nepotism, and paternalism."[61]

Individuals' aspirations

Generally, the Saudis accept and pursue individual aspirations, but they exist within a strong family-oriented context.

A major attribute of Arabs, according to one writer from the Middle East, is strong familism: "the centrality of the family in social organization, its primacy in the loyalty scale, and its supremacy over individual life." There is also the supporting conviction that Allah determines one's destiny. And yet, another observer contends that deference to authority and acceptance of externally imposed discipline has always been balanced by a "sense of equality" that allows individuals to assert their own interests.

The Koran also advises loyalty to oneself. If one is true to oneself, it says, one will be true to others. The hardships of nomadic life would seem to have instilled an individualistic orientation as well.

Some businessmen have noted that Saudis prefer to work alone rather than in a team and take sole credit for accomplishments while passing on blame for failures to others.[62]

Decision-making in groups

Decision making is highly centralized but consultative.

Within the culture generally, a strict hierarchy exists which places ranking males with families in a position to make decisions. Thus "[an individual] may not make decisions without consulting his near relatives and the senior members of his group. He lives in a compact organization in which everyone knows everyone else's business. His every utterance or deed goes through the censorship exercised by his group." Similarly, in business, subordinates are consulted informally, on a one-to-one basis, but the leader always makes the final decision.

The Saudis tend not to delegate responsibility. They feel that only the top man can get things done, and they search him out for meetings. As one president of a large company said, "They [clients] insist on my presence during negotiations. They are offended if I'm not personally involved ..."[63]

Orientation toward time

The Saudi attitude toward time is casual.

"Tomorrow" (*buqra*) is a common attitude among Saudis, so scheduling and keeping appointments are matters of low priority. The Saudis take time during the day for prayers (there is also an annual month-long religious observance called *Ramadan*), consider important the opportunity to get acquainted with prospective associates, and pay social calls to friends in their offices during the business day.

According to one writer, "Arab executives are deeply concerned with the low value and respect that people in their business community place on time." On the other hand, they feel Americans clearly overemphasize its value.[64]

Risk-taking propensity

The Saudis seem to have a propensity to avoid risk but accept some uncertainty.

According to American executive Bill Thomas, president of a firm providing risk management for development of the Jubail and Yanbu industrial complexes, insurance is proscribed by Islamic law. It is considered gambling and for a long time, was not even available. Insurance is now available through companies registered abroad.

As Thomas puts it, "The religion says if it is God's will that something happen, it will happen and it's your destiny to recover from it." This fatalism implies at least some acceptance of uncertainty.[65]

Bases of trust

An extremely important factor, trust depends on personal friendship.

The Saudis place trust and confidence in individuals rather than organizations. As one Muslim writer has said:

> ...a Muslim looks at life as a trust from God — a trust which was offered to the heavens and the earth and the mountains but which they declined to accept. Man accepted and in so doing he undertook heavy responsibilities... And the keeping of trust is not limited to money or property ...it embraces the whole field of our dealings — financial legal, political and moral... A person who betrays a trust, said the Prophet, is devoid of all faith, and a man who fails to keep his word is bereft of all moral values. A person who is capable of once betraying a trust loses his title to confidence for he can do it again.

Trust may be extended intuitively at first, but the predominance of Islam and social sanctions (threat to one's honor) also seem to be effective bases.[66]

Concern with protocol

Saudis consider protocol extremely important.

Their conduct is guided by strong social norms of hospitality together with adherence to the Koran. One Muslim saying is "Honor the guest, even though he be an infidel." Upon arrival, guests are usually immediately served food and drink (especially coffee), and this practice carries over to the office, in business negotiations, as well. It initiates an attempt to establish a bond of friendship. Typically, negotiators then discuss topics of mutual interest but not details of personal lives (discussion of female relatives is out of the question). Such talk may last 2-15 minutes. To do otherwise is considered impolite.

Honor, dignity, and respectfulness are all important guidelines of an interaction. The first person to enter a room has the highest rank, the last has the least. Greetings and partings are also significant events that involve kisses and soft handshakes. Titles are used. Swear words, jokes, and strong and disparaging language tend to insult rather than draw parties closer. And apparently, if one admires a Saudi's possession, hospitality requires that he offer it as a gift.

The Koran specifies other aspects of proper conduct, and its precepts are enforced by religious police. There are five 20-minute prayers a day: at dawn, midday, later afternoon, dusk and evening. Friday is a holy day. (The Saudi weekend is the American's Thursday and Friday.) In public places, the sexes are strictly segregated in areas designated for families (including single women) and bachelors.[67]

Communication complexity

Saudis communicate in a context of high complexity.

With respect to verbal messages, one observer points out that Arabs (and, by extension, Saudis) purposely "give greater weight in thought and speech to wishes rather than to reality, to what [they] would like things to be rather than to what they objectively are." Thus speech often contrasts with actions. The same observer goes on to underscore a tendency toward exaggeration. Note also that Saudis tend to avoid refusing a request especially from superiors or others held in esteem; a refusal would be impolite. Bluntness, criticisms, and friendly banter are also considered undesirable and are left out of many conversations.

Various essays on Saudis' communications suggest contrasts difficult for a Westerner to reconcile, and the emotional arena presents some of them. "The very same Arab whose character is hostile and quarrelsome, who shows extreme emotionalism in easily aroused anger and sorrow does not ordinarily demonstrate his joys, fears, and weaknesses. These feelings are not given vent, they are checked from positive overt expression..." An Arab "yells and squabbles" when bargaining in the marketplace and freely expresses his pain when hurt, according to one author. At the same time, the Koran admonishes those who lose their tempers and use strong words: "Be modest in thy bearing and subdue thy voice. Lo! the harshest of all voices is the voice of the ass." Perhaps, then, the Koran proposes the guiding principle, but actual behavior may differ and be accepted when compelled by the force of circumstances.

Several aspects of nonverbal communication are meaningful. Hand gestures, especially with the left hand, and crossing one's legs to expose the sole of one's shoe tend to be taken as insults. The left hand is used for personal hygiene, and the sole is considered the most inferior part of one's body. On the positive side, Saudis tend to stand close together in conversation (10-15 inches versus the American norm of 30), maintain direct eye contact (eyes are the "window to one's soul"), and even talk breath to breath in their discussions. They will touch an arm or hand to emphasize a point. And as for their attitude toward silence, there is a saying that "Allah gave man two ears and one tongue, so he could listen twice as much as he could speak."[68]

Nature of persuasion

The bases of persuasion seem mixed: emotional, but also intuitive, experiential (traditional), and ideological (the Koran).

Empirical reasoning is considered an alien, Western system. It is considered more important to follow the tenets of the *Shariah*. To the extent that it follows the Koran, these guidelines would include brief arguments, clear communication of one's thoughts, avoiding ornamentation, and ending a meeting without ill feelings if the argument fails to be convincing. A basic fatalism, which is reflected in the omnipresent expression "If God wills" (*In sha'allah*) overlays any argument or plan. Religion may not only guide behavior but provide bases for persuasive appeals.

When honor and face are involved, however, the Saudis are known for arguing emotionally. They have also been known to ramble and flatter, and to admire eloquence. To confuse the matter further, consider the following American executive's impressions: "They're clever, precise, and accurate, and know what they want."

In short, more information is needed in this area.[69]

Form of agreement

Bound by their words, the Saudis prefer to cement their agreements orally.

Given its preeminence in social life, an individual's honor serves as a strong incentive to keep agreements and at the same time, as a restraint against writing up agreements. (To ask for a written document may be to insult a counterpart.) As indicated under *Bases of trust*, the Koran treats a Muslim's commitment to another individual as equivalent to a "covenant with God." It is one's duty to fulfill one's obligations.

Despite these strong incentives, one Muslim writer argues that memories are so faulty that individuals should write up agreements. Considering the scale of many projects in Saudi Arabia, today's Saudis probably do write up most agreements. That does not necessarily diminish the importance they attach to commitments and obligations, however. Indeed, having to write agreements may accentuate the commitments.[70]

Conclusions and prospects

From the Chinese emphasis on friendship to the Saudi concern for honor, this paper has touched on aspects of negotiation in six cultures other than the American. Indeed it has only touched on them and left out other aspects. Still, however briefly, this paper has uncovered and presented similarities and differences between the cultures.

One might protest that people are more alike than different, but this paper is not designed to and does not argue the antithesis. It surveys and attempts to provide introductory "understandings" of similarities and differences, and implies that some cultural differences are likely to keep naive negotiators from interacting as satisfactorily and productively as possible. An American who expects and prepares for distributive bargaining from the French or Saudis is probably in for a shock and failure. Generally, it is striking that each of the six cultures studied places more importance on relationships, the complexity of communication, and trust than Americans do. Such "hurdles" are in themselves significant.

What are the implications?

For practitioners, specific cultural influences have been outlined and preliminarily probed. The next question to face concerns appropriate responses. For a long time, we have simply assumed "When in Rome, do as the Romans do." One can easily debate the success of non-Romans in doing so. But a student in one of the author's negotiation classes (who happens to be Italian) contended that one should not even attempt to do so. In his view, a cross-cultural situation presents a unique opportunity for the particular negotiators involved to create jointly a very special interaction. This point of view has some attractive features. That is another discussion, though, and regardless of the avenue a negotiator chooses, some knowledge of a counterpart's cultural background should prove beneficial.

For researchers, this paper touches only lightly some complex, pervasive aspects of negotiating behavior. It does pose important questions, propose a broad, organizing framework, and illustrate some differences between cultures. A real challenge lies ahead: differences need to be studied empirically and evaluated for their significance if we are to go farther down the road toward understanding and ameliorating the negotiating experiences of American business people abroad. This paper sets us on our way.

Notes

1. These figures are attributed to the U.S. Department of Commerce in "The Manners of Foreign Markets," *Philadelphia Inquirer*, June 22, 1984. The article also mentions that some 73,500 U.S. companies conduct business abroad and maintain 200,000 employees overseas at any one time.
2. Alternatively, "Culture consists of patterns, explicit and implicit, of behavior acquired and transmitted by symbols constituting the distinctive achievements of human groups, including their embodiments in artifacts; the essential core of culture consists of traditional ideas and especially their attached values" (Kroeber & Kluckhohn in Terpstra, 1978).

3. For existing but wanting literature on the subject, see Fisher (1980), Graham (1983), Gulliver (1979), Posses (1978), and Smith & Wells (1976).
4. Some of these questions are addressed subsequently in this paper. Others simply lie beyond its scope.
5. They are working propositions meant to focus and stimulate discussion. We welcome your comments. For the sake of manageability, North Americans are treated as one group, but we do wonder about the nature and magnitude of ethnic influences on these cross-cultural interactions.
6. With this level of generality, some operational usefulness is lost. But we question whether a more specific definition exists that is valid across cultures.
7. For instance, the verifiability issue raised in U.S.-Soviet arms control talks is to a great extent a relationship-based issue.
8. Recall that President Carter appointed Hamilton Jourdan to negotiate with the Iranians despite his limited diplomatic experience.
9. Note that the matter of credibility in negotiation is related but not identical to trust.
10. See, for example, Hegstrom, T. G., "Message Impact: What Percentage is Nonverbal?", *The Western Journal of Speech Communication*, 43, Spring 1979, 134-142.
11. For more on argument across cultures, see Glenn (1966, 1981). Nature of persuasion and decision-making in groups also concern information-gathering, evaluation, and use. This, too, may be a fruitful area for cross-cultural comparisons but we leave it for future work.
12. The propositions that follow for each culture are based on perceptions of general cultural characteristics. We recognize the dangers of stereotypy and prejudice and have tried to avoid their extreme forms. This is an introductory piece, though, and one intended to stimulate discussion.
13. This figure and all others for trade in this paper are from the International Monetary Fund's *Direction of Trade Statistics, 1984*. The introductions to each culture are also based on *Background Notes* by the U.S. Dept. of State, Bureau of Public Affairs, and assorted periodicals.
14. See de Pauw (1981:70), Pye (1983:87), Salisbury (1984:52), Wren (1984). Thanks are due to Ying-Zhi Gu, Ernest Liu, Ling Shen, and Robert Wing for their comments on "Negotiating with the Chinese."
15. See de Pauw (1981:64) and Weiss-Wik (1981).
16. See Lall (1968:2ff), Pye (1983:17), and Wren (1984).
17. See Pye (1983:16,89).
18. See de Pauw (1981:55,63) and Pye (1983:73).
19. See "The Scramble ..." (1978).
20. See "The Chinese Abroad ..." (1984) and de Pauw (1981:64).
21. See de Pauw (1981:65), Kapp (1983:71), and Pye (1983:80).
22. See Kapp (1983:38,39), Lall (1968:28), and Pye (1983:73).

23. See Bloom (1977), Kapp (1968:66), Lall (1968:28ff), Pye (1983:42,52,89).
24. See "A China Treaty ..."(1984), Kapp (1983:61), and Pye (1983:78).
25. See Fisher (1980:19), Dupont (1982:270), Plantey (1980:75). Thanks are due to Bertrand Bellon for his useful comments on "Negotiating with the French."
26. See Ardagh (1977:695) and Fisher (1980:50).
27. See Ardagh (1977:21) and Fisher (1980:24).
28. See Hofstede (1984:158) and Inzerilli & Laurent (1983:113).
29. See Ardagh (1977:689), Inzerilli & Laurent (1983), and Lewis (1983).
30. See Ardagh (1977:25-27), Hofstede (1984), cf. Bass & Burger (1979).
31. See Ardagh (1977:695).
32. See Crozier in Ardagh (1977:689).
33. See Dupont (1982:86-89) and Glenn (1972).
34. See Blaker (1977:4-7), Fisher (1980:17), Mushakoji (1972), and Graham & Sano (1984).
35. See Blaker (1977:50,82), Graham & Sano (1984), and Holusha (1983).
36. See Blaker (1977:30,43,50), Fisher (1980:22), Graham & Sano (1984:43) Imai (1975:51), McCreary & Blanchfield (1984).
37. See Imai (1975:3-9), Hofstede (1984:158), Lohr (1984), and Sethi, Namiki & Swanson (1984:9-11).
38. See Blaker (1977:82), Fisher (1980:32), Sethi, Namiki & Swanson (1984:19,34).
39. See Demente (1972).
40. See Bass & Burger (1979), Blaker (1977:11), and Hofstede (1984:122).
41. See Kotkin (1984:181,182) and McCreary & Blanchfield (1984:35).
42. See McCreary & Blanchfield (1984) and Graham & Sano (1984:61).
43. See Barnlund (1975), Clavell (1975:324), Graham & Sano (1984:23), Imai (1975), and McCreary & Blanchfield (1984:15,18,22).
44. See Graham & Sano (1984:22), McCreary & Blanchfield (1984:37), and Sethi, Namiki & Swanson (1984:38).
45. See Graham & Sano (1984: 93) and McCreary & Blanchfield (1984:31).
46. Thanks are due to Raul Lopez Martinez for his comments on "Negotiating with the Mexicans."
47. See Fisher (1980:20), McDowell (1984:149), and Paz (1962:20,22,31).
48. See Riding (1984).
49. See Hofstede (1984:158).

50. See Hofstede (1984:156ff).
51. See Hofstede (1984:122).
52. See Paz (1962:30).
53. See Fisher (1980:20,25).
54. See Paz (1962:23).
55. See Fisher (1980:20,51) and Paz (1962:24).
56. See Ampofo (1984), Biersteker (1983), and Diamond (1984:906).
57. See Ampofo (1984).
58. See Onyemelukwe (1966).
59. See Iqbal (1975:82,92), Muna (1980), Patai (1973), and Sen (1981).
60. See Iqbal (1975) and Patai (1973:283).
61. See Muna (1980).
62. See Iqbal (1975:129), Patai (1973:282), and Lee (1980:13).
63. See Hamady in Patai (1973:284) and Muna (1980).
64. See Muna (1980).
65. See Mulligan (1981).
66. See Iqbal (1975:95).
67. See Lee (1980).
68. See Hamady in Patai (1973:159), Lee (1980), Isbaq (1975:83ff,88), and Sen (1981).
69. See Milligan (1981) and Patai (1973).
70. See Iqbal (1975:97).

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Note: These references consist of 7 parts, one general part and six parts referring to the six nations discussed.

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