



Sharif University of
Technology

International Negotiation

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Taiwan

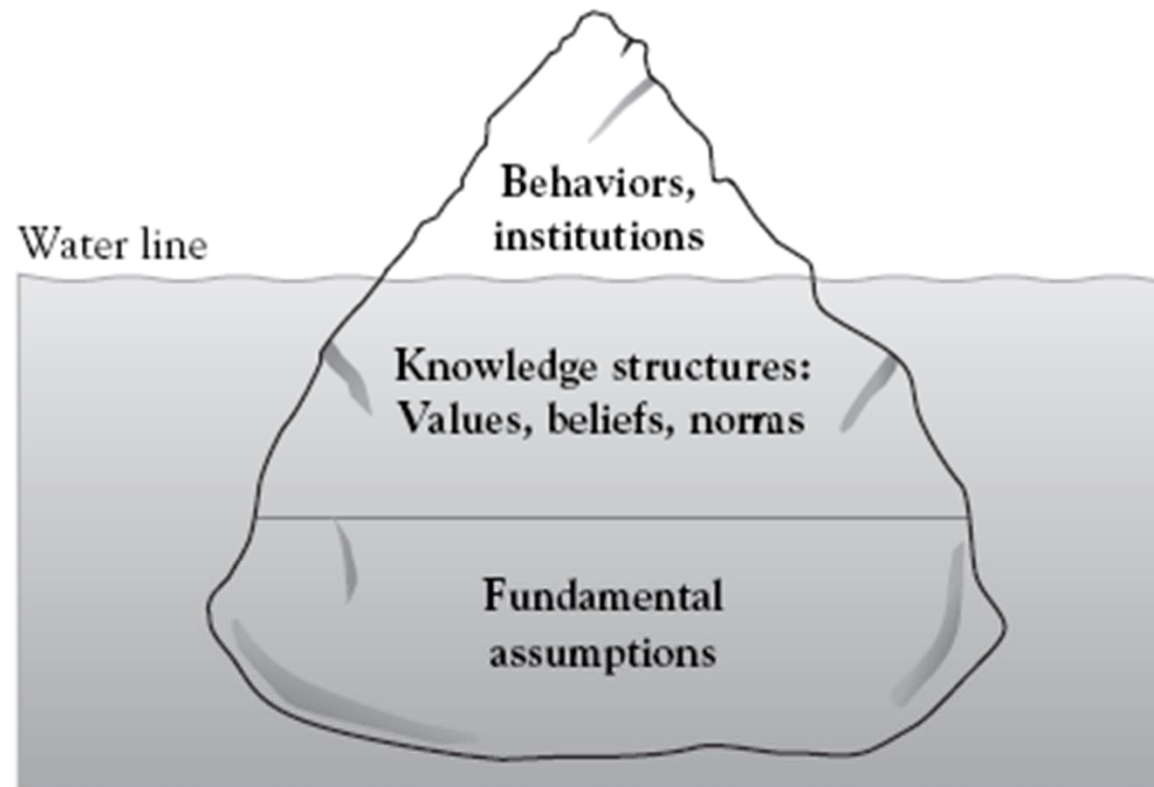
- “You’re supposed to say ‘**Au-ban**,’ which means basically, ‘Hello **No. 1 Boss**,’”
- Mr. Romano explained. “But being **nervous**, I slipped and said ‘**Lau-ban ya**,’
 - which means, ‘Hello, **wife of the boss**.’
- So I basically called him a woman in front of 20 senior Taiwanese executives, **who all laughed**,” he said.
- “He looked at me like he was going to kill me
 - because in **Asia**, guys are hung up on being seen as very **manly**.
- I had to keep asking them to forgive ‘**the stupid American**’ before the C.E.O. would accept my apologies.”



India

- **Interpreting the behaviors** that you may see at the negotiation table is of greater **importance**.
- The risk is that you will jeopardize the negotiation by interpreting these behaviors through the **lens of your own culture**.
- For example, the first time I watched a class of Indian managers negotiate, I was startled by their **side-to-side head movements**.
- Side-to-side head movements in **U.S.** culture mean **no, no, no!**
- I thought negotiations were **not going well**, and I was really **upset** when many in the class continued this behavior during my debriefing.
- I asked my host professor, "What went wrong, **they hated the class**, how can we fix it for tomorrow?"
- He replied, "Why do you think that?" I said, "They shook their heads no, no, no all afternoon."
- "Oh," he said, "**That means 'I'm listening.'**"

Culture Hierarchy





Indian And Japanese Software Engineers

<i>Assumption</i>	<i>Indian Engineer</i>	<i>Japanese Engineer</i>
Self-concept	I am superior.	I am inferior.
Customer	Customer is a partner, an adult	Customer is God or a child
Words	Words are not final. Some are less important.	Words are final. They are commitment.
Commitment	I cannot say I do not know.	I cannot say I know.
Communication	I talk.	I listen.
Expertise	I am an expert after ten days.	I am an expert after ten years.
Teamwork	The team is there for me.	I am here for the team.
Decision making	I make a decision.	The team makes a decision.
Time	I value my time.	I value your time.
Negotiation	I convince you. I present my position.	I sympathize with you. I represent your position.
Silence	Silence is emptiness of the mind. (weakness)	Silence is consolidation of the mind. (strength)



Indian And Japanese Software Engineers

<i>Assumption</i>	<i>Indian Engineer</i>	<i>Japanese Engineer</i>
Comprehension	I focus on the big picture.	I focus on the details.
Rules	Rule can be applicable. Some are less important.	Rule is a rule. No exception. All are important.
Suggestion	No. This is a better way. I will give you solution.	Yes but . . . Maybe, this is a better way. How do you think?
Risk	Risk is to be managed.	Risk is to be avoided.
Emotion	Emotion is to share.	Emotion is to hide, or explode.
Quality	I achieve the goal. 90 percent is completed.	I achieve the goal. 120 percent is completed.
Relationship	I spoke to him once. He is a friend of mine.	I spoke to him ten times. I just know him.



Indian And Japanese Software Engineers

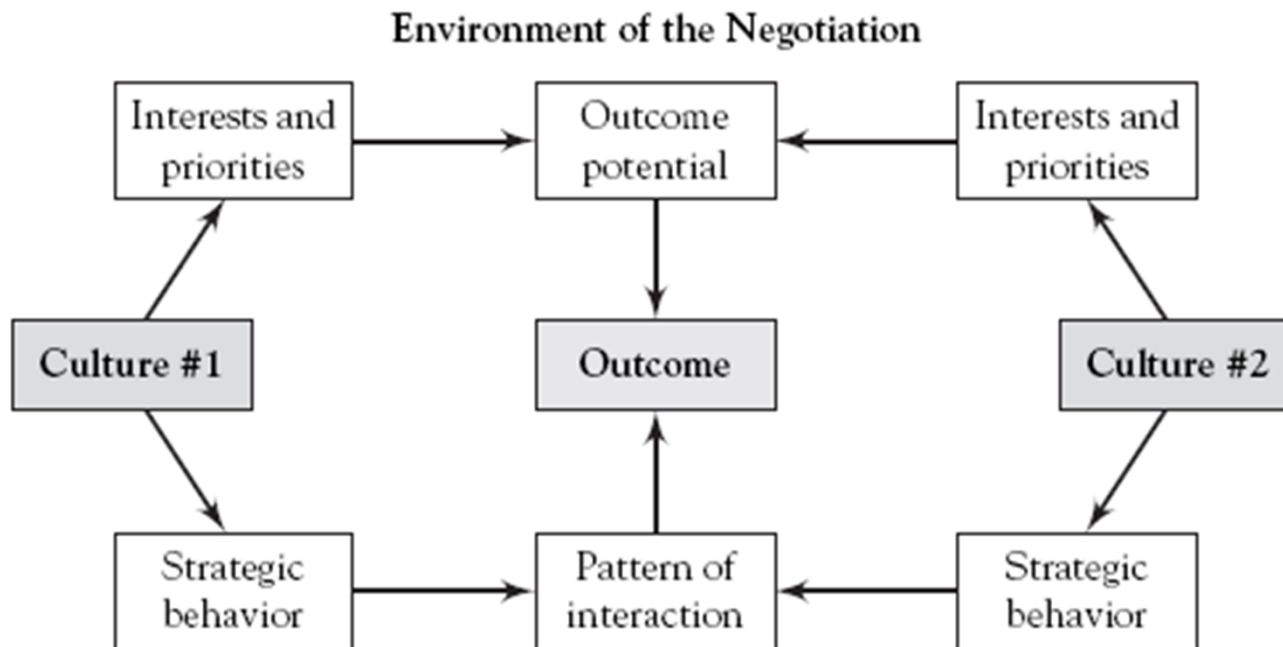
Exhibit 2.3. Assumptions of
Indian and Japanese Software Engineers, Cont'd.

<i>Assumption</i>	<i>Indian Engineer</i>	<i>Japanese Engineer</i>
Schedule	It takes five days. Therefore, it takes a week.	It takes five days. Therefore, it does not take a week.
Explanation	It is information.	It is an excuse.
Hierarchy	I obey my boss and act accordingly.	I obey my boss, but may act differently.
Arguing	It adds values. It is enjoyable.	It damages the relationship. It is uncomfortable.
Information	I share any information. I like quantitative info.	I share necessary information only. I like qualitative info.

Source: Used with permission of Junichi Yoshida and Infosys.

Culture effect in Two-Party Negotiation

Exhibit 2.4. Culture in a Two-Party Negotiation.





International Negotiation Attribute

- Negotiators from different cultures bargain across a gulf of **incongruous** world **views**, **conflicting** patterns of reasoning, even **dissimilar** notions of **space** and **time**.
- If you have an inkling that international negotiations are in your future, start early to **gather** as much **information** about the **culture**, **laws**, and **business practices** of the nationality with whom you are negotiating.
- If international negotiating **success** requires an **understanding** of our counterpart's **culture**, then her **language** is certainly the **window** to that culture. (English knowing is not enough)
 - **Ideally**, the negotiator should speak the **local language** competently.
 - While fluency is rarely practical, at a minimum the negotiator should take the time to **learn a few basic phrases** in **the local tongue**. (be complimented even by simple words)



Areas of Difference from the person across the table

- Time: **Americans** are in a **hurry**. They want to get everything done **quickly**. Almost all **other cultures** take **more time** to get to the close. Be prepared for this difference.
- **Conflict**: Some cultures (**China**, for instance) are very **un**comfortable with direct **confrontations**, which can be absolutely **devastating** to a negotiation between, say, someone from American and someone from China.
- **Body language**: This is wildly different around the world. **Study up** on how people in the other culture use **gestures** so you don't **inadvertently insult** your opposite number.
- **Manners**: Another area of wild differences around the world is what constitutes good manners, especially at the **dinner table**. **Sharing** a meal is a common part of many extended negotiations, so learn good manners for the place where you're negotiating.
- In **Japan**, you want to pick up the soup bowl and make **slurping sounds**.
- In **China**, you want to be sure **not** to **clean** your plate because that indicates you would like more food.
- In **France**, sharing food in a restaurant is deeply frowned upon. These are just **different ways** of eating and have nothing to do with right and wrong, good or bad.



Sources for Your preparation

- Talk to your **friends** and **business associates** who have **experienced** the culture.
- Read **books** on travel, such as the commonly used **Frommer's**.
- Surf the **Internet** for information on other cultures.
- Watch **movies** for a visual example of international locales.



Translator as a solution

- If the subject of the negotiation is very **technical** or **jargon-filled**, the translator should already **know** the field.
- Operating in a different language is **exhausting** and tricky. Translation takes **extra time** (doubling it at a minimum, since **everything** must be said **twice**), and demands **considerable patience** from negotiators and translators alike.
- A translator **isn't a machine**, and the entire process is rife with opportunities for **mistakes**.



Tips in using translator

- Provide **list of participants** and organizations, and any **technical term** that may be used
- Make it clear that you are much more **interested** in **counterparts ideas** than in literal translation of his words
- **Never assume** the other side doesn't know **your language** having translator
- Have translator **sit behind you**, and **look** at, and talk to your **counterparts**
- Accompany **gesture** and **facial expression** communicates what you need to know **even though** you don't understand the word of otherside



Japanese masterpieces

- Speak **slowly** and **clearly** (in short statements)
- **Jokes** almost never translates well and should probably be **avoided**
- While their **Chinese** and **Korean** neighbors are beginning to speak with more **directness**,
- the **Japanese** are still **notoriously careful** to avoid causing **embarrassment** with blunt words.
 - For example, Japanese particularly **dislike saying "no"** or having it said to them. If necessary, a Japanese will **say nothing at all** in order to **avoid** saying **"no."**
- Your **Japanese** counterpart's frequent **"hai"** (yes) and nod don't indicate **assent**, only that **he's following** the conversation—very much like "I see" and "uh-huh" in English.
- **Japanese** smile represents neither happiness **nor agreement** with what you're saying, but merely an effort to **appear cheerful**.
- If your Japanese counterpart **changes the subject**, **asks a question** in response to your **question**, or tells you that he'll "think about it," "make concrete efforts," or "do his best," he's actually trying to **politely say "no way."** You would be wise to let the matter **drop for now.**



Tips in using translator

- If you follow these simple guidelines, your first experience with a translator should be positive.
 - **Never hire** a translator with the **other side**. You save **money** but **lose control**. Hire your own translator. He or she can translate both sides of the conversation, but that person needs to be **on your team**.
 - Leave plenty of time to **brief the translator before** the negotiation begins. Treat the translator like a **professional**.
 - Be **alert** to the translator's **need** for **more breaks** than you need.
 - **Never** crack **jokes** for the interpreter to translate.
 - **Don't** use **slang** expressions.
 - Speak in **short sentences** and use simple words.
 - **Never raise** your voice.



Japan vs. US

- As was noted in the previous section, in many parts of the world it is considered **rude** to **openly refuse** another's request. In public one is expected to respond **agreeably** or **ambiguously**, but **never negatively**. (**unlike** Americans "No with explanation")
- **Few** countries are as legalistic as the United States. We naturally resort to **attorneys** and legal documents **even** for **simple agreements**. Not so in other cultures.
 - in some cases merely asking for a **formal contract**—may be regarded as a **signal** that the other side **isn't trusted**.
 - **Japanese**: bodyguard of lawyers as a poor alternative to **genuine sincerity** and **trust** in business dealings.



Contracts

- **Westerners**, particularly Americans, value compliance with the **exact terms** of a deal and **feel little obligation beyond** those terms. “Good” people, in the American view, keep their word—to the letter. (**Germans, Russians, mainland Chinese, and to a lesser extent Japanese** also fall into this “legalistic” group.)
- Negotiators from many **Latin American, African, Middle Eastern**, and some Far Eastern cultures have a much **less formal view** of contracts. They may feel bound more by the overall **spirit of an undertaking**— in some cases short of the precise language of the contract, but in other cases well beyond it.
- Particularly in **the Middle East, India, and Indonesia**, even when a formal agreement has been reached there may be a **certain casualness** about compliance.
 - These cultures put their **faith** more in **long-term cooperation** and **trust** than in legal documents. They believe that it **isn't the paper that binds** the parties, but their broader **mutual objectives** and **duties**
 - **Adjustment** to the other side's **changing needs and feelings** is seen as a measure of integrity.
 - To be **inflexible** would be **immoral**



Time Pressure in different Culture

- **Unending patience** is a most important virtue for offshore negotiating. The **Japanese** and mainland **Chinese** are famous—some would say **notorious**—for negotiating until the other side is simply worn out. (**5 times** as united states takes in japan)
- In **Japan**, every **decision** must be passed upon by **multiple levels of management**. **Attempts to accelerate the process are futile**, and may be **counterproductive**. Minds are rarely changed at the negotiating table.
- Concessions are decided upon privately, in harmonious consultation with colleagues. Consequently, if an impasse is reached on one point, you should **politely move on to the next point**.
 - Never **press** for an **immediate** decision; this would be seen as **rude** and **overbearing**.
 - “**We only do business with friends**” is a common theme from **Africa** to **Latin America**. Particularly where the players have never met, a personal bond—in particular, a **certain amount of trust**—**must first be established** before successful business discussions can commence.



Cross-Cultural Negotiation

- Your **business cards** are as important as your passport in international dealings. They should be **exchanged** with those of your counterparts' during all business **introductions**.
- In some countries it is acceptable (even desirable) to **scribble notes** on the back of the card. In others—**Japan**, for example—this is considered **rude**.
- **After a few rounds of drinks** in the local nightclub, your **Japanese** counterpart may slowly begin to **reveal his true feelings to you**. This will signal his growing acceptance of you as a colleague, and give you **valuable insights** into the progress of the talks.
- Right or wrong, an organization preparing to negotiate in **Japan** should carefully consider the **wisdom of having females** in senior team positions. This also applies to **Latin America**, where the culture of machismo still predominates, and to the **Islamic world**, where women and men are often segregated.
- Cross-cultural negotiating is the **major exception** to the "**keep teams small**" suggestion. For a variety of reasons, the American inclination to "go it alone" may be unwise in offshore negotiations.



Cross-Cultural Negotiation

- A **larger team** sends a signal of **earnestness** to the other side. It bolsters the perceived status of the lead negotiator. And it's an opportunity to begin **educating** the next generation of bargainers. In **Asia, the Middle East, and parts of Latin America**, the **size** of your team will be viewed as an indication of **how serious** you are about the talks and the overall relationship. In these societies, your counterpart could well regard your tiny team as a slight.
- **Prior** to the negotiation, a wellprepared bargainer should **request information** about the **position and background** of each **member** of the other side's team.
- **Except** in mainland **China**, where they may be considered **bribes**, **small gifts** are required in **Asian business situations** and appropriate almost everywhere else. In **Japan**, gift-giving has reached **epidemic** proportions.
- **Flowers** are a welcome gift everywhere, but because the **number, color, and variety of flowers denote different things in every culture**, be sure to obtain and follow good **local advice**.
- In **Asia**, gifts are presented at the **initial meeting**. **Elsewhere**, they are exchanged later in an **informal setting**. **Present the gift slowly, with two hands**. Open your own gifts later, in **private**. Send a **prompt thank-you note** for any gift or favor.



Cross-Cultural Negotiation

- Picture your **Latin American** counterpart **closing in** on you to get within a comfortable speaking **distance**, while you frantically back up, courageously **defending** your spatial envelope. You think he's being **pushy**. He thinks you're being **evasive**. Negotiating **hasn't** even **begun** and cultural differences are already interfering.
- In the Pacific Rim and **India**, **direct eye contact**—especially with superiors—is considered **impolite** and insensitive. **Looking down** or away is a sign of **respect**, not shiftiness.
- With **Arabs and Europeans**, however, **direct eye contact** demonstrates **honesty** and **sincerity**, and should be maintained.
- One **never** eats, gestures, or offers anything with the **left hand** in the **Middle East**; this hand is considered **dirty**. The **North American "O.K."** sign, with the thumb and index finger forming a circle, should be **avoided** almost everywhere **outside** of North America; it means the same thing as a raised middle finger in the United States, or worse.



Cross-Cultural Negotiation

- In the **United States**, people tend to be eager to get down to business and seem to be in a **constant search** for the bottom line.
- In **Japan**, on the other hand, this kind of single-minded haste is considered **disrespectful**.
 - For example, jamming **someone else's business** card into your pocket without looking at it may be common in the United States, but is highly **offensive** in **Japan**.
- If someone from **Japan** hands you a business card, **look at it, read it**, take it in, and then put it respectfully into a **safe place** such as a wallet or pocket that **doesn't** have a **lot of other things** in it. **Never write** on a business card given to you by someone from Japan.



Listening in different part of the world

- Nowhere in the world do people **listen** the way they do in **Bali**. The practice can be unsettling to visitors to the rural areas of Bali. The natives there **stand quietly and fix the focal point of their gaze** at a point just **behind your eyes**. You feel as though they are looking into your **soul**. They **don't** exert any **pressure** upon you to hurry up and finish what you are saying. When you do finish, there is a **slight pause** before the other person starts to speak, lest you have an afterthought.
- **Americans** are decidedly on the other end of the listening spectrum from the Balinese. Evelyn Waugh, the great English satirist, once noted, "Americans **do not so much listen as they stand around and wait for their turn to talk**." Waugh's observation is accurate, but it's interesting also in that much of America's style is inherited from the **British Empire**.
- In **Japan**, listening is more than ceremonial. Particularly at the **early stages** of a negotiation, **a great deal of listening** takes place. Many writers comment on the **amount of time** the Japanese want to spend **getting to know** you before they do business with you. That's true. They want to listen to what you have to say — **about yourself**, about **other deals** you have made, about the **people you admire** and why, and about the people you do not admire and **why not**.



Trouble in understanding

- If you are trying to negotiate with someone who is having **trouble understanding you**, try the following instead:
 - **Drop** your voice.
 - Speak more **slowly**.
 - Find **simpler words** to express the same idea you were trying to communicate. **One syllable** words are best.
 - **Don't ask too many questions**. Asking excessive questions puts the other person on the **defensive**. You artificially raise concerns about communication, clarity, and camaraderie. If someone doesn't understand your question, that person has to reveal this confusion and may feel stupid. A better way to **gauge how well** you are being understood is to ask an **occasional well-framed question**.
 - **Engage your hands**. Bring your hands to the level of your shoulders. Keep them out in front and use them to **illustrate your points**. At the same time, engage **your face** and your voice. Be as **expressive** as possible and be consistent; that is, make sure that your hands, face, and words are expressing the **same message**.
 - Be **patient**.



Body Language

- In some societies in **India**, people shake their **heads up and down** to mean “**no**” and from **side to side** to mean “**yes**.” In the **Western** world, the **opposite** is true.
- In **Japan**, people **point to themselves** by pressing their index **fingers against their noses**. **Americans** convey the same meaning by pointing to **their hearts** using a finger, thumb, or hand.
- The **eyes** are also an important part of body language. In some cultures, particularly in the **United States**, **looking** someone in the eye suggests **honesty**.
- Other cultures, especially in the **Middle East and Asia**, see this behavior as **challenging or rude**. In countries like the **United Kingdom**, some eye contact is required, but **too much** makes many people **uncomfortable**.
- The **Italians** let us know that they do **touch each other**, and the custom is considered acceptable **by both sexes** — it is not a man’s domain, and it is **not considered sexual harassment** by either gender.



Overcoming Unique Issues in International Negotiations

- Choice of **language** For Contract
- **Currency** fluctuations
- **Time** differences



General Pre-Negotiation Tips

- When you travel across time zones, always take **a moment to plan** on ways to reduce jet lag. The rules are simple:
- **Eat light** the night before your trip and on the plane.
- **Drink plenty** of water.
- Time your **sleep** against the length of time that you will be in the air so you have a shot of getting your **sleeping schedule on track quickly**.
 - For instance, if I fly from New York to London, I take the red-eye and sleep all the way, so that I arrive able to function, but more importantly, able to sleep that night. A trickier example is L.A. to Tokyo. I leave Los Angeles at 11 in the morning and arrive in Tokyo at 4 p.m. the next day. With almost 12 hours in the air, **I am careful not to sleep more than 5 or 6 hours while on the plane**, and will try **to keep it to even less than 8 hours**. That way, I will be sleepy when it is evening in Tokyo. One of the things that **throws people's systems out** of whack is **sleeping too much** on the plane.
- Set your **watch** to the **time zone** of your destination immediately upon boarding the plane. The **sooner** you **put your mind** into the new time zone, the sooner your body will follow.



Closing Around the World

- The notion of **closing a deal** varies in different parts of the world
- In the **United States**, closing a deal is a very **formal occasion**. A handshake or some other **ceremonial moment ends** the discussion. Then come the contracts. People in the United States write long contracts in an attempt to **anticipate every possible scenario**, setting out each party's rights, duties, and obligations.
- **Across the spectrum** from the United States is the **tradition of the desert**. The spoken word and the handshake are the **centuries-old traditions** of the Middle East. You make a **deal in principle**, and people start to carry out the terms of the agreement. **Changed circumstances allow for further discussions**.
- To an American, this custom can be very **upsetting**. The American thinks that the deal has closed; the Arab thinks that the **parties can revisit** the deal if circumstances change or **new information is acquired**.



International Negotiation File...



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