



# Guide to International Negotiations

by Babel Language Consulting Limited



**Even more so than in your own culture, when you negotiate internationally, handling your partner and the negotiation itself, become critically important.**

Many negotiations that fail are blamed on the substantive issues – *they didn't like our product, or they couldn't afford our prices* – when in reality the failure is because the client or supplier wasn't managed in the right way. So, when preparing for an international negotiation, there are several areas that you need to take into consideration.

### **The Team**

Some cultures are individualistic – these include the USA, most Northern European countries and Australia. Individuals set their own goals, take personal responsibility for their successes and failures and are comfortable doing business with anyone of any age as long as they have the skills and authority to seal the deal. Other cultures, however, are more group based – Latin cultures in Southern Europe and Latin America, Asia and Africa – where your technical competence and your job are not the only factors that are taken into account when doing business. Age, seniority and position are also important.



So, when you are deciding who to negotiate with your international partners, if you come from an individualistic culture with acquired status and are negotiating with a group based culture, be aware that maybe you should send a team of people, including someone senior, rather than a single negotiator; read business cards carefully, and receive and give them with ceremony; make sure you are speaking to the right people – sometimes the most senior person present will not be taking the final decision, but will be there to lend authority and seriousness to the proceedings; build relations with your partners and be prepared for ceremonial openings, offers of hospitality, and long presentations about their company.

If, on the other hand, you come from a group oriented culture with a given status and are negotiating with individualistic cultures, don't be offended if your partner appears younger or more junior, and alone. Find out if this person is able to take decisions and has the authority to negotiate. On both sides, try and read the signals the other is giving. If they are ready and able to negotiate, there is no reason why it should not be successful, in spite of the difference in styles.

### The Pace



North Americans and north-western Europeans are mono-chronic. In their cultures, people are judged by how well they can control their time and people who can't do so are not to be trusted.

Latin people, Asians and Africans, on the other hand, are highly poly-chronic. To them, how you nurture relationships is more important than how you manage your time. They view the time-obsessed mono-chronic person as pushy or even arrogant.

In a negotiation, poly-chronic people are likely to want to discuss proposals in a leisurely manner, even more so as they are group oriented, so need to consult widely to gain consensus. The mono-chronic person on the other hand, can't understand why it is taking his partners so long to reach a decision, and begins to suspect them of stalling tactics to put him under pressure to agree.

During the protracted discussions, the poly-chronic people are also forming an impression of their negotiating partners. *Are these the kind of people we want to do business with? Can we trust them? Could we build a good relationship with them?*

When doing business with a poly-chronic culture, make sure you allow plenty of time to get to know your partners, and to build trust. Avoid self-imposed deadlines and manage the expectations of your superiors at home, who may expect you to return after a short visit to Dubai, Singapore or Tokyo with the contract in your briefcase. You need to follow the mood, not the schedule.

Make use of small talk: it is not a waste of time, but an essential tool to begin building and later reinforcing crucial business relationships. If the meeting seems disorganised, with people coming and going, sub-meetings and distractions, it is not because they are being disrespectful towards you, it is their style and it can be extremely efficient. They can juggle several tasks at the same time. Understand their system and use distractions as thinking, preparing or resting time before the attention swings back to you. Don't try to impose too rigid an agenda and be aware that they may prefer to keep things open for longer than may be normal for you – *in other words, nothing is agreed until everything is agreed.*

If you come from a poly-chronic culture and are negotiating with mono-chronic people, don't waste their time with too much small talk in the early stages. Take your cue from them and move onto business more rapidly than you may feel comfortable with. Look for opportunities later for that missing small talk – during a coffee break or over lunch, maybe. Appreciate that an agenda may be important to your partner, and it may be more rigid than you are normally accustomed to. They may expect a faster pace than is normal for you. Give yourself time by using summaries, asking lots of clarifying questions and taking time out to reflect on their proposals.

Some cultures are future oriented – the Americans are the prime example, while for others, respect for tradition and the past is extremely important – as in Western Europe and Latin America. Again, it is a question of being aware of the differences and respecting them. Don't dwell too much on past glories when negotiating with future oriented cultures and appreciate that past experience is an important element in taking decisions for past oriented cultures.

### **The Place**

Where do the real negotiations take place? In the board room or a meeting room in an international hotel? Around the coffee machine, in the sauna, or a restaurant? Again, it depends on your culture. If you come from highly functional cultures, like North America or Germany, you are more likely to negotiate in a company setting. However, if you come from personal cultures, like Asia, the Middle East or Latin America, more informal, personal settings can prove to be successful locations.



The formal meeting will be for the presentations and to introduce the group to their partners. However, the real negotiation will take place in a series of informal meetings where people can say what they really mean without loss of face in front of their colleagues.

### **Playing the Game to Win**

Both sides want to win in the negotiation and, as long as there is the commitment, trust, relative strength, and ability to negotiate, there is no reason why it should not be successful. When negotiating with another culture, you need to trust each other and be able to interpret accurately the signals your partner is sending. When you negotiate with people from your own or a similar culture, you can usually recognise an aggressive move, a gesture of faith or a capitulation fairly easily, but when your partners are from a different culture, the signals can be much more difficult to read. If you want to play the game to win, you need to make a conscious effort to understand what lies behind their behaviour and think very carefully about your own, and the way you express yourself.

### **Understanding their Beliefs**

What your partners believe will have an impact on how they behave and on how they interpret your behaviour.

An international textiles company had a local supplier in Indonesia, which was extremely efficient and able to meet demand and quality standards. The UK subsidiary who dealt with the supplier was very happy with their service and the relationship, even though there was little in the way of a formal contract other than agreed payment terms.

This situation continued for many years until Head Office in the United States sent a directive that all relations with international suppliers had to be formalised with a written contract. The British were unhappy about this and tried to gain an exception for the Indonesian supplier, but Head Office was adamant. After the contract was signed, the service from the Indonesians began to deteriorate until eventually it became unacceptable, and the British subsidiary had to look for a replacement.

Why did this happen? How could something that could be accepted as a common business practice in the USA cause so much trouble in Indonesia? The answer lies in the cultural differences. The USA, along with countries like the Netherlands and Germany are comfortable with the written word. Contracts, memoranda of understanding, minutes of meetings, email and written summaries may carry more weight than the spoken word. How often is a telephone call backed up with an email summary? It is quite normal for legal representatives to be present at an American negotiation.



Indonesia, along with Latin cultures, Asia and Africa, are cultures that prefer the spoken word because they define the relationship and you build trust by talking to your partner. These cultures love to talk to each other to cement relationships. Just contrast sitting in a train in Jakarta where there is constant chatter, with British commuters studiously ignoring each other. For the Indonesian agent, the imposition of a written contract was a sign that his client didn't trust him anymore and because that trust had gone, no-one cared about the quality of service any more.

If you come from a written culture and are negotiating with a spoken culture, remember that your partner will probably take what you say more seriously than what you write. Consider carefully how you will communicate with them. Face-to-face contact, or if this is impossible, the telephone, will probably get you better results than email, even if you feel more comfortable with this medium. Keep the contract out of sight, and only involve the lawyers at the end of the process. Beware of taking too many notes in front of them. Look at your partners, listen carefully to what they say, and summarise frequently with your partner, then write it down.

For many cultures, including the Middle East, North Africa and parts of Asia, forces beyond their control determine their destiny. Therefore, they can't give a categorical agreement to what will happen in the future, because they don't control their own destiny. So, how can a contract define what will happen in the future? When a Muslim says *Inshallah* during a negotiation, he is not expressing an unwillingness to commit to the deal, he is recognising that circumstances might change, and reminding you that, as trusted partners, you can always renegotiate the deal.

Make sure you understand local customs before you go into the negotiation.

"I was negotiating in China. I expected to reach agreement on the deal fairly quickly but found it impossible to settle down with my hosts to discuss details. They took me on factory tours, gave me long lunches, and dinners that went on through the night, fuelled with copious amounts of alcohol. It was only as I was preparing to get back to the airport that we started serious discussions. I got the feeling they were doing this deliberately to put me under time pressure".

Maybe they were. What is more likely is they were testing the visitor. They wanted to build a relationship; see what type of person and organisation they were dealing with. The visitor, without this prior knowledge of what might happen in China, reacted with suspicion.

### Using the Right Language

Some cultures, like the Americans, Dutch, Scandinavians and Germans use a frank, explicit and direct style of communication. You know what they mean, even if it sounds too direct or even aggressive.

Other cultures, like the Japanese, British, Arabs and Italians are indirect, diplomatic and implicit. This difference in communication style can cause major misunderstandings and suspicion. Very often, explicit communicators assume that indirect cultures are confusing them on purpose, while the implicit communicators suppose the explicit cultures are rude, boorish and badly educated.



So, if you are from a direct culture communicating with an indirect negotiating partner, remember to soften your style of language. Nurture the relationship, keep your language friendly, and put all your toughness into fighting over the points under discussion, while avoiding making it personal.

If you are from an implicit culture, don't assume the person from the explicit culture is ignorant or badly educated because they want to go through the issue step by step, even if to you it seems a waste of time, or they want a clear agenda for the session with frequent summaries. Use these to your advantage.

Whatever culture you come from, remember the key language skills in negotiation. Keep things conditional for as long as possible, by using: *If...then*. By doing this you will link the issues and avoid giving away a concession for nothing. Explore possible options rather than just rejecting new ideas. Be positive, and remember to put as much effort into building the relationship as in the issues themselves.

In this paper, we hope to have provided some insights and experiences we have accumulated over the years in delivering training workshops to participants from a wide variety of cultures and backgrounds.

If you'd like to learn more about developing your own negotiation skills, you may be interested in our "International Negotiation Skills Workshop". Normally run in-company for one day, this workshop can be fully tailored to the cultures that you normally train with or present to. Please email [sue.curry@babelgroup.co.uk](mailto:sue.curry@babelgroup.co.uk) if you'd like to receive a copy of the sample course outline.



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