



# INTERNATIONAL NEGOTIATION

**Training material**

**Part 3**

**INCONEXT PROJECT**

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## Intercultural differences in negotiations

Here are some recommendations for negotiations with people from the most important import and export countries of Lithuania.

Russia	
<b><i>Negotiation tactics</i></b>	Negotiations are tough and can last over many hours. It is common to leave the room once or twice. The negotiation team should not discuss in front of the others. Commissions are seen as a sign of weakness.
<b><i>Topic of conversation/taboo</i></b>	At the beginning small talk is helpful: Family and Travels. Taboos are: politics, economy, past.
<b><i>Business culture/decision making</i></b>	Business structures are very hierarchic. Russians often let specialists negotiate. The superiors appear only at societal occasions. .
<b><i>contracts</i></b>	Contracts are binding. If any, troubles can occur with the payment.
<b><i>Handling of conflicts</i></b>	Optimistic proposals to solve problems should be discussed in advance, otherwise you risk difficulties.

Source: Däubner & Hennrich, 2003

Germany	
<b><i>Negotiation tactics</i></b>	Negotiations should be well prepared.. You should know concrete and detailed answers to every possible question. Quality and design is often more important than the price. For higher-quality products an adequate repair service should be included in the contract.
<b><i>Topic of conversation/taboo</i></b>	Religion, politics and history are taboo topics. Good topics for conversations are

	spare time activities, sports (football), travels, business success stories and family.
<b>Business culture/decision making</b>	Hierarchies are flat. The negotiation partner can make decisions in general.
<b>contracts</b>	Contracts are done in written form and followed strictly.
<b>Handling of conflicts</b>	After identifying a culprit, problem solving can start.

Source: Däubner & Hennrich, 2003

Poland	
<b>Negotiation tactics</b>	Be prepared for hard negotiations. Polish are normally well prepared. You are often confronted with demands for high price reductions.
<b>Topic of conversation/taboo</b>	Criticism about the pope and the Catholic church are disliked. Political history should not be discussed either. Good topics are sports, family or culture.
<b>Business culture/decision making</b>	Hierarchic structures can be found in state-owned enterprises and in big factories.
<b>contracts</b>	Contracts are normally binding.
<b>Handling of conflicts</b>	In personal contact you can discuss every problem openly and find a solution jointly. Stay on a factual level, Polish react allergic to personal criticism

Source: Däubner & Hennrich, 2003

Netherlands	
<b>Negotiation tactics</b>	You should come to the point immediately, small talk is not needed. Dutch negotiate direct, open and very efficient. They expect clear conditions, calculate exactly, and are well prepared for negotiations. The post offer regarding price is chosen most often.

<b>Topic of conversation/taboo</b>	You can talk about everything openly, expect the Dutch royal family. Experts in sports are very welcome.
<b>Business culture/decision making</b>	Hierarchies are flat and transparent. Negotiators are authorized to conclude the negotiations.
<b>contracts</b>	Contracts are binding.
<b>Handling of conflicts</b>	Frictions should be solved in personal discussions. Compromises are preferred.

Source: Däubner & Hennrich, 2003

Sweden	
<b>Negotiation tactics</b>	You should come to the point immediately and discuss everything openly. A “No” is preferred to a “Maybe”. Don’t show humor or emotions during negotiations. Being punctual, precise and reliable regarding agreements and creating a personal relationship to your partner are laying foundations for a permanent business relation. Thereafter negotiations are generally short and uncomplicated.
<b>Topic of conversation/taboo</b>	Sports and nature (especially the Swedish nature) are popular topics in conversations. You should not criticize the Swedish model of society and welfare. Do not talk negatively about the Swedish royal family.
<b>Business culture/decision making</b>	Hierarchies in Sweden are flat. Decisions are made in teams. But when getting in contact with Swedish business partners you should contact people at a high management level.
<b>contracts</b>	Swedish are trustworthy.
<b>Handling of conflicts</b>	Swedish tend to avoid dispute. If this is not possible, they try to find solutions fast and unemotional.

Source: Däubner & Hennrich, 2003

Using the information above and information from <http://geert-hofstede.com/national-culture.html> you can maybe solve following questions:

#### Quiz

In China which of these has the most influence on a person's rank?

- a) Salary
- b) Age
- c) Experience

Your company has been negotiating with a company in Argentina for 3 months. The next round of negotiations is set to be the final meeting, with all sides aiming for an agreement. The negotiator that had been dealing with Argentina is taken ill and cannot travel. A replacement is briefed and sent to clinch the deal. He returns empty handed. Why?

- a) The Argentine company were simply offended because they assumed your company was not taking the corporate relationship seriously by sending in a new negotiator.
- b) In Argentina personal relationships are valued more than corporate ones. The negotiations failed because the new negotiator was unknown.
- c) "In Argentina, the belief is that if illness gets in the way of business it is a bad omen."

When meeting with the French in a business environment, which of these is best to avoid?

- a) Personal questions
- b) Eye contact
- c) A formal demeanour

Taken from [www.kwintessential.co.uk](http://www.kwintessential.co.uk)

On the web page [www.kwintessential.co.uk](http://www.kwintessential.co.uk) you can also find some examples on business etiquette with recommendations for business negotiations with partners from different countries:

<http://www.kwintessential.co.uk/resources/country-profiles.html>

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But keep in mind that this web page only acts as basic information and introduction. It is not intended to stereotype cultures.

## Conclusion

In this module you have learnt to negotiate with international partners successfully. First you have got to know the Harvard concept of negotiation which is more based on agreement and cooperation than on conflict. According to this four key points have to be taken into account in order to gain results that are positive for all negotiation partners.

When conducting international negotiations cultural differences have an impact on negotiations that must not be underestimated. Cultural beliefs as well as specific traditions influence the negotiation style, and as a result also the negotiation outcomes. Knowing about differences in negotiation styles and using this can help you bargaining a better negotiation result and, additionally building up good business relations in international markets. The second part of the module has dealt with cultural differences theoretically and practically. The recommendations here do not make demands to be all-purpose solutions, as people are culturally influenced, but are also individuals, having their own behaviour.

### Sources:

Mathys (2006): Verhandlungstechniken retrieved from [http://www.mathysmedical.com/fileadmin/user\\_upload/pdf\\_download/Arztforum/Verhandlungstechniken\\_D.pdf](http://www.mathysmedical.com/fileadmin/user_upload/pdf_download/Arztforum/Verhandlungstechniken_D.pdf) on 12/04/2012.

Däubner C.; Henrich D. (2003): Weltweit verhandeln. Ueberreuter: Frankfurt.

### Internet sources:

[www.kwintessential.co.uk](http://www.kwintessential.co.uk)

[www.geert-hofstede.com](http://www.geert-hofstede.com)