

#### **Member Communication Experience**

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# e Insights

## **NAC Executiv**

## Considerations in Cross-Cultural Negotiations

#### **Key Points**

When dealing with other cultures, it is important, indeed critical, to make the effort to gain some understanding of those cultures.

How different cultures negotiate is explored.

How select cultures choose negotiators is discussed.

The decisionmaking process in different cultures is examined.

Feedback on cross-cultural negotiations and writings is provided.

#### Introduction

Many years ago, I sat aboard United Flight 976 to London and found myself trying to get into an

a compromise as acceptable. In many other cultures, however, this trait may appear as aggressive and rude.

In Japan, such a session of give and take would be uncomfortable, with advocacy rarely conducted in formal settings. The view would be to publicly accept what has already been agreed to through a patient consensus building process. The likelihood of change in a formal session is miniscule. In other cultures, ique to

the Japanese culture, but also is found in Thailand and Indonesia.

In Mexico, the approach to formal negotiating sessions varies widely. When dealing with the U.S., the sense of protocol is less as compared to negotiating sessions with other cultures. Form and ceremony are valued. G

you must act in a way to shape that process to cause an outcome closer to the end state you desire. You should seek cultural advice from an experienced individual because in some cultures, even where you sit at the table can and does matter.

Recognize that fundamental cultural differences also act to create well defined subcultures within respective societies. There may be more or less differences in a specific negotiation than what one might otherwise anticipate by merely looking at the national cultural frameworks. A case to illustrate this point can be seen as U.S firms developed business relationships in Russia. From the American point of view, anything is possible unless it is prohibited by U.S or Russian law. From the Russian point of view, nothing is possible unless it is explicitly allowed by the state.

Contrast these differences with Mexico, where negotiations are never just on the point or opportunity at hand (as in the U.S. context), but are rather on a much broader plane that requires trade-offs among opportunities and issues. Decisions in negotiations in Mexico tend to be made by the Mexican executive

dear. True authority in Mexico is rarely delegated, so if you are not negotiating with the individual with true authority, you are negotiating against yourself. Authority here is reflected in the personal significance, public presence, leadership,

who may hold more sway over the individu

stages of the negotiating process with the Japanese will appear extensive, and from a U.S perspective will be perceived as well beyond what is needed at this stage. It represents, however, the best opportunity to shape the outcome of negotiations

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I've found China to be an interesting country to work in, but initially had difficulties coming to grips with a totally different mindset. It's not unusual to be negotiating with a group of up to a dozen individuals, often from different organizations or parts of the same organization, each with separate requirements and agendas. This can be daunting initially and can make it difficult to identify the true decisionmakers, if they are present. Indeed, those chauffeuring negotiators may also take part in and contribute to the negotiations. Often the negotiator(s) leading these negotiations may not have the authority to actually make decisions and need to refer decisions to a higher authority, who may or may not be present. This can cause negotiations to extend intermittently over several sessions or more and require a number of days to finalize. Conversely, it can be a useful tactic to need to refer to a higher authority over a point or points, even if you hold relevant authority.

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Since joining and in turn being exposed to the U.S parent company, I have taken a strong interest in globalization and cultural boundaries. I've been fortunate enough to be able to study this in depth through my involvement in a young professionals group and the Global Oversight Forum (GOF). The young professionals group has recently undertaken a study to determine the cultural differences faced by each of the various national young professionals groups and also to address the cultural barriers such a group would likely face should they be established in various Asian countries. This was done with regional support and has given us a good insight into the hierarchy and top-down approach of Asian business. My involvement in the GOF has been an eye-opener regarding communications, business operations,

extremely polite way and only with the prior approval of our Japanese dient. It nevertheless was effective and saved time. The second party probably thought us rude, but recognized we had backing from our (Japanese) dient so it was acceptable. It has to be done very carefully, be planned, and have the backing of a long-standing relationship with our side.

 Not quite negotiating, but I have used my broad Australian accent in the U..Sto get my message across and understood. This was many years ago on a light rail transit (LRT) project during design reviews. These even winning is not a life-or-death issue (except with sport, and only until the final siren). Pragmatism rules. So, if someone gets a bit embarrassed in a deal, then too bad, they will be over it in five or ten minutes.

But in Thailand, "face" and the quality of business relationships in general is crucial. If you have the upper hand in a deal, be gracious and don't grind your opposite number into the dust. That is terribly poor form, and likewise, it is worth remembering that your client will probably be concerned to ensure that ...and better still a mutually good deal will be most appreciated and ultimately will be far more rewarding.

Often the first thing that strikes people about Thailand is how everyone has a "friend" who can help you wit

Thai King: don't. You probably can't be respectful enough and there is no better way to poison the ai
than impugn the King's good name. Seriously, if you blo