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"When in Rome . . ." Negotiating Cross-Cultural Transactions

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I. INTRODUCTION

* Cross-cultural communication holds the key to international business. Bar none, it's the single most challenging aspect of doing business in today's global society.

* Before a business relationship is established, before a joint venture is achieved, before a deal is struck, international business people must master art of cross-cultural communication.

* Starts with language, and misguided assumption that we all mean same thing when we use the same words.

--For example, if you tell someone that his presentation was "quite good," American will beam with pleasure. But Brit will ask you what was wrong with it; you've just told him politely that he barely scraped by.

* Paper is designed to accomplish three purposes:

A. First, identify some of the basic issues that *all* international business travelers -- male or female, and lawyer or not -- should keep in mind;

B. Second, touch on a few key points of particular importance to *lawyers* (whether male or female) who are involved in international dealings; and

C. Third, focus particularly on some of the unique challenges that confront *women* in international business context.

* Along the way, illustrate some points with anecdotes.

* Close with a few general "universal" guidelines for cross-cultural business.

II. OVERVIEW OF CROSS-CULTURAL ISSUES

A. Basic Issues For All International Business Executives

Punctuality

* Different cultures have radically different concepts of time and punctuality. For example--

* Chinese and Japanese are very punctual. Visitors generally are expected to arrive at the agreed time for business appointments and social functions.

* Punctuality is also the rule in Germany.

* If your invitation to dinner is for 7:00 p.m. in Germany, come "on the dot" -- no more than 10 minutes after. In England, come about 7:15 p.m. In Italy, an 8:00 p.m. arrival would be about right. And, in Greece -- well, you can arrive just about anytime during the evening.

- * In Mexico, guests generally expected to arrive at least half hour after appointed time. Arriving any earlier is considered gauche.
- * Be aware that there may be distinctions in a country's culture between punctuality for business appointments versus social invitations.

Introductions: Names, Formalities and Honorifics

- * Many U.S. executives don't understand different handshakes in different parts of the world. For example, Latin Americans use a light handshake that lasts twice as long as a U.S. handshake. Pulling the hand away too soon is interpreted as rejection.
- * Turks also greet one another by shaking hands.
- * In contrast, Thais usually do not shake hands when they greet one another. Instead, they press their palms together in a prayer-like gesture call the "wei."
- * Closely resembling the Thais' "wei," India's traditional greeting is called "Namaste," which is pressing the palms together.
- * In some cultures, business colleagues with established relationships may embrace and kiss one another in greeting -- even men. Whether one starts on right or left, and number of kisses (one, two or three) varies from country to country.
- * Cultures also vary greatly vis-a-vis formalities, use of honorifics, and use of first names.
- * Japanese business culture, for example, is very hierarchical and formal. Indeed, Japanese language has five separate levels of reverence/familiarity. Japanese business colleagues never call one another by first names -- not even if they are the same age. Asian cultures generally do not use first names.
- * So too in France, people do not use first names easily. French colleagues who have worked together for years may still call one another by their last names, and use the formal "vous" form of address, rather than the more familiar "tu."

--Friend working in France for French company tells me that her colleagues who fly back and forth doing business in U.S. call one another by their first names here in the States, but switch back to more formal address the moment that they board the Air France flight back to Paris.

- * Same rule prevails throughout much of the rest of Europe as well. Many Germans, for example, prefer to be addressed by their last name, often preceded by their academic title --"Herr Mueller" or "Frau Doktor Schmidt." In Italy, any university graduate over the age of 40 should initially be addressed as "Dottore."

* Iceland stands in stark contrast. There, business colleagues may be offended if you persist in using last names.

* One of the world's most interesting business customs is the elaborate Japanese business card ritual, "meishi."

--In Japan, business card is portable resume that gives you entree to a company.

--Japanese executives have collections of business cards that fill entire walls.

--Must not write on a business card, put it in a back pocket (which equates to sitting on it), or laugh at it. What you do to the card, you do to the person who gave it to you.

--When presented with business card, receive it with hands at each corner and study it carefully. Acknowledge name of the company by smiling and nodding. Say the name of the company, then read person's job title and bow in appreciation. Polite to convey that you are impressed by person's position.

--If there are a number of people present at a meeting, arrange their business cards on table in front of you, so you can refer to cards and use names during the meeting.

Eye Contact, Gestures and Body Language

* Many intricacies of cross-cultural communication are expressed and decoded through such variables as tone of voice, facial expressions and body language. Often these variables are culturally bound.

* For example, you should not look your Japanese counterparts directly in the eye when you talk with them. This is considered rude. Fixing your eyes on the knot of your counterpart's tie is a sign of respect.

* Similarly, in Thailand, Malaysia and Indonesia, intense eye contact will be interpreted as an expression of anger or aggression. So, in Southeast Asia generally, it is wise to avoid strong eye contact across the table.

* Of course, in other cultures, you will seem "shifty" or unworthy of trust if you do not look your counterpart directly in the eye. In southern Europe and the Middle East for example, strong eye contact is generally a sign of respect and sincerity.

* And some cultures take a middle ground -- you are expected to look someone in the eye, but also to look away from time to time (at varying intervals, depending on the culture).

* In European and Latin cultures, physical contact -- a pat on the back, a long handshake, or a hug or kiss on the cheek -- is almost always acceptable in a business setting.

* On the other hand, in Japan, one must avoid gestures such as slapping people on the back or patting them on the back, or otherwise touching them in any way; it's bad etiquette in a business context.

* Similarly, in India or Pakistan, no type of touching is acceptable; people simply bow. Touching is considered disrespectful.

--But -- just so you're not surprised -- it is not strange for males to hold hands on the street in India. This is considered a gesture of friendship.

* "Conversational distance" -- how close people stand when they talk to one another, how much space an individual expects as "private space" -- is another more which varies greatly from one culture to the next.

--Once had a protracted discussion with a Swiss colleague in a narrow hallway. He kept moving closer to me; I kept stepping back. Had this image of us as famed dancers/movie stars Fred Astaire and Ginger Rogers, doing some highly stylized legal tango down the hallway, as we debated the finer points of international letters of credit.

--Japanese colleagues typically stand close together when talking. But if an unfamiliar Westerner tries the same approach, may be resented by the Japanese.

* And, in most Middle Eastern cultures, crossing your legs during a business meeting is taboo. Indeed, crossing one's legs and exposing the heel of a foot is almost universally unacceptable. Basically, only in the U.S., where informality permeates even our business culture, is crossing one's legs okay.

* Even the most innocent of gestures can send the wrong message, with grave consequences.

--For example, in the U.S., a simple "no thank you" might be expressed by holding up one's hands with the palms facing outward. In certain African cultures, however, the same gesture would be considered extremely rude.

--Similarly, the ubiquitous "thumbs up" is rude in Australia.

--Folded arms denote arrogance to the Finns, and disrespect to the Fijians.

--And it likely will come as no surprise to you to learn that the gesture for "A-OK" in the U.S. means something very different in much of the world. (Make your own joke here -- just use your imagination.)

Attire

* Before traveling, learn nuances of a country's dress code -- sleeve and hem lengths, color, etc. Pack clothing for the most conservative host and the holiest place you expect to see.

* Have no personal firsthand knowledge, but we have no doubt all heard stories about the dire consequences that may befall women in some parts of the Middle East if they are not properly covered.

* In most of Persian Gulf region, women generally must respect dress code that requires full covering, no matter how hot the weather.

--For example, in Iran (at least as of 1996) women subject to arrest if not wearing national dress -- a headscarf and a trench coat-type covering called a "manteau."

--Businesswomen traveling in Middle East are well advised to wear something with sleeves to elbow (no matter the weather), and skirt just below the knee, or trousers.

--Also wise for businesswomen traveling in Mideast to carry a head scarf or chador (traditional covering that goes over head and shoulders).

* In some places, Western women may be exempt from stringent restrictions aimed at women within the culture. (*E.g.*, in Saudi Arabia, western businesswomen often viewed as "honorary men.")

* In fact, there are some different customs to be aware of even in Western Europe. For example, one generally does not remove one's suit jacket in front of German business associates. Shirt sleeves are considered sloppy and unprofessional.

* And, when doing business with the Japanese, be sure to dress particularly conservatively, and avoid fragrances (aftershave, cologne and perfume). They are not traditionally used in Japan and could be offensive.

--It is generally considered improper for a woman to wear a pantsuit to a high-powered business meeting in Japan.

--If you "go native" and wear a kimono, be sure to wrap it left over right. (The reverse is reserved for corpses.)

- * Never wear jeans in China; they represent Western decadence.
- * In India, leather shoes and accessories may be offensive to Hindus, who revere cows.
- * Also be aware of the significance of color.

--Brazilians don't wear green and yellow in combination (because they are the colors of the national flag).

--In Hong Kong, blue and white -- not black-- are the colors of death.

--Thai women wear black *only* for morning.

Gratuities

- * Tipping is another area where customs vary greatly from one country to the next.
- * At one extreme are countries such as Egypt, where tipping is expected for even the slightest service.
- * At the other end of the spectrum are countries like Japan, where tips are considered hand- outs; and overt offer of a tip is likely to be refused. In Japan, you pay only the fare indicated on the taxi meter. At hotels and restaurants, doormen and waiters are not tipped. The baggage porters, bell hops, chambermaids and waiters are not tipped, and are instead rewarded through service charges on the hotel bill.
- * You may send a powerful message to your international business associates -- either positive or negative -- depending on your knowledge and mastery of simple local customs such as tipping.

Entertaining

- * Entertaining can be one of the most daunting aspects of doing business internationally -- a veritable cultural minefield.
- * But is nearly impossible to overstate the importance of the role of entertaining in international business relations.
- * U.S. business executives often surprised to learn that business relations in this country are very different from business relations in much of the rest of the world.

--Here in the U.S., we are very oriented to the present, to the transaction immediately at hand, to one-shot deals made or broken largely on the basis of price.

* In much of the rest of the world, however, business executives are interested in building long-term relationships, which are generally based on trust, friendship, service and quality -- with price only a secondary consideration.

* This emphasis on long-term business relationships built on trust and friendship puts a premium on business entertaining as perhaps the most important means of learning what makes your counterpart "tick" - - his or her background, family, interests, hobbies and aspirations and making your counterpart comfortable with you.

* Entertaining raises issues such as: Who issues the invitation and plays the host? Do you invite spouses? Who picks up the check? (As discussed below, these issues may be particularly sensitive for women. However, there are a lot of issues for both men and women.)

* In many countries of the world, for example, it is the highest honor to be invited into the home of your host for dinner-- an honor extended to only the *closest* business associates.

* On the other hand, Japanese hosts generally entertain outside rather than in their homes, and will take guests to restaurants for dinner. This custom flows from deeply held philosophy that one's home is very modest, and guests are deserving of more.

* In many cultures other than the U.S., quite rude to discuss business over dinner. U.S. business executives who try to do so are quickly labeled "Ugly Americans."

* But the Japanese do business all the time, including over meals. Tremendous amount of business in Tokyo is done over drinks.

* And, in France, lunches of two to three hours are normal -- but business usually is discussed only over dessert.

* Only righthanders will get enough to eat in Moslem countries. The left hand is reserved for other bodily functions, and using it to eat with is considered offensive in the extreme. Those who normally *write* left-handed should inquire of their hosts whether that will be offensive.

* In Thailand, it is a compliment to your host to eat every last bite during a meal. But, in China, you are supposed to leave food on your plate.

--You don't want to kill a business deal in China by cleaning your plate.

* If you are invited to a Chinese banquet, the host will invariably make a speech a short time after the

banquet commences. You, as guest of honor, will be expected to reply. You will know when the meal is over when hot towels are distributed; it is polite to depart 10 minutes later.

* In Finland, do not be put off if your business or social host invites you to join him or her in a sauna bath. The sauna is very much a way of life in Finland. Even business meetings may conclude with all participants retiring to the sauna together.

* And you've probably already noticed that different countries serve cold beverages (beer, wine and soft drinks) at various different temperatures; that Europeans generally use very little ice in their drinks (and will remove excess ice if it is served to them); and that many Europeans, Latin Americans and Japanese are heavy smokers. (Don't try to seat them in the non-smoking section of a restaurant. In fact, "non-smoking sections" are unheard of in much of the world.)

* Customs concerning acceptance or rejection of hospitality also differ from one culture to another.

--For example, it seems nearly the rule that the British will politely decline offered refreshments the first time or two, even though they really mean yes. (Host is expected to persist.)

--On the other hand, never reject offered refreshments in Kenya. At a minimum, just touch the food or drink to your lips. By doing so, you symbolize that you have accepted your host's hospitality.

* What do you do if dog soup or broiled monkey brains are the national delicacy, specially prepared for you by your host, presented with great fanfare -- and you'd rather not partake?

--Protocol of declining food and beverage is something you definitely want to research before you leave home, so as not to offend your host. Varies from country to country.

--Indeed, anytime planning to visit an exotic culture, always a good idea to do some advance research on the indigenous cuisine, so as to be prepared, come what may. May want to seek advice on tamer dishes from someone familiar with the culture to be visited, so you'll have some idea of what to order when a menu is put in front of you.

* Up to this point, have focused primarily on what to expect and how to behave when we are abroad, and are the guests invited to dinner; and, to lesser extent, the situation where we are abroad, but we are the hosts inviting our business counterparts to dinner in a restaurant in their own country.

--Point is that, in both these situations, *we're* the ones in foreign territory.

* But we face a very different set of challenges when we are called upon to host dinner in our own country for a visiting delegation from another culture.

--Imagine that you've just spent the better part of a year lining up a group of overseas investors for the biggest transaction of your career.

--The money people are coming to town for a couple days, and you're in charge of having them ink the final joint venture agreement and cough up eight or nine figures' worth of earnest money.

--No problem. You've been preparing for this deal since the day you got your law degree.

--What's keeping you awake nights is this: You're in charge of wining and dining the overseas visiting VIPs at the crowning event of their trip -- a celebratory, pre-contract signing dinner for twenty people.

--You don't have a clue about what to feed them, what beverages to serve them, how to seat them at a banquet table, when to start the festivities, or at what point to conduct the evening's business.

--Yet this dinner could make or break the whole deal.

* Prime rule to follow when entertaining overseas guests is to avoid the temptation to serve them a dish that is indigenous to their homeland.

--They are in your country to be entertained in the local style. Trying to replicate a foreign cuisine is not merely a mistake, it's an insult to your overseas guests, because you're never able to do it as well as they do.

* So what do you serve?

--One tried-and-true strategy is to choose a menu that incorporates foods that are familiar to your visiting guests -- but which are prepared in a way customary to your country.

--For example, lamb is a staple of most Middle Eastern diets, so a menu planned around American-style lamb

chops would be a good choice for businessmen from that part of the world visiting in the U.S.

* Equally important to know what *not* to serve.

--Obviously, one would not serve pork to Arabs, Muslims or Israelis.

--Nor would you serve beef to Hindus.

--Less well known that Japanese generally do not eat cheese.

--And Europeans generally do not eat the All-American favorite, corn. In fact, many Europeans regard corn as a food fit only for animals.

--Also be sure to consider the religion of your dinner guests in deciding whether to serve alcohol or caffeine.

* Success of dinner will depend as well on non-food factors, such as seating. Varies from one culture to next.

--For example, critical to find out in advance the pecking order of a Japanese party. Then, arrange seating so that top-ranking Japanese guest sits either next to or across from your big boss, their second-in-command is seated with your senior VP, and so on.

--Particularly with the Japanese, host is expected to take charge and not leave Japanese guests to make any decisions at all. Must arrange everything in advance, from every detail of seating to how check should be handled.

--May be other seating considerations as well. For example, do not seat a Japanese party in the center of a restaurant. They prefer quiet, unobtrusive public dining. And never seat Japanese dinner guests with their

backs to the door. Seat them so they face the door.

--Language barrier is another crucial consideration in seating arrangements. Determine in advance who speaks the local language and who doesn't, and ensure that those who are bilingual are scattered strategically to facilitate conversation among all in attendance. Also a nice touch to have at least one bilingual waiter work a banquet for overseas guests.

* One final aspect of arranging a successful cross-cultural dinner is to make the necessary arrangements for toasts, speeches and an exchange of gifts -- as appropriate, depending on the cultures -- to celebrate the sealing of the deal.

Giving and Receiving Gifts

* Gifts are another critical aspect of doing business internationally.

* Make it a practice to maintain a cache of gifts for overseas counterparts, so that you always have something at hand when you need it - - whether to present to a VIP visiting your offices, or to toss into your luggage when packing for a trip abroad.

--Beautiful picture books are a personal favorite of mine, and always seem to be well-received: *A Day In The Life of the United States* or a book of photographs of well-known Washington, D.C. or New York sights.

* But what are the customs of various countries with respect to giving and receiving gifts? Again, practices are very different from country to country.

* Focus first on gifts in the purely business context.

--For example, any visitor to a Japanese company is customarily given a gift. It is not so much the size or value of the gift but the way it is wrapped that matters. (More on this below.)

--Knowing this, you may wish to present gifts to your counterparts from such countries when they visit your offices. Also must think about gifts when invited into someone's home.

--For example (although Japanese tend not to entertain in their homes), if you are invited into a Japanese home, you must always take a gift. The gift need not be lavish, but must be in good taste and -- again -- beautifully wrapped. (No white wrapping paper; it's a sign of death.)

--Similarly, when visiting a home in Finland, it is customary to bring a gift -- flowers are traditional.

--Practice is the same in Germany, where a guest typically brings a small bouquet of flowers for the hostess (usually an odd number, such as five or seven).

* But, if you're invited to a home in Kenya, do not take a gift. Instead, it is customary for the host to give a gift to the guest. And don't refuse it, or your host will be offended that you have rejected his or her hospitality.

* One other thought on gift giving. Different cultures have different "lucky" and "unlucky" numbers. Something to be attentive to, especially if choosing a gift which is comprised of multiples, like a bouquet of flowers.

--Also confer with florist about type of flowers to take to your host or hostess. In many cultures, for example, roses (especially red roses) are given only by a lover to a sweetheart.

* Final observation on gift-giving is to emphasize that, in many cultures (such as the Japanese), presentation is everything -- far more important than the value of the gift itself.

--One law firm here in D.C. which does a lot of work with Japan shows its new associates a book on Japanese packaging art called How To Wrap Five Eggs. For people who have not lived in Japan, the sense which the Japanese have about properly packaging goods is hard to appreciate.

* And don't forget that -- depending on the cultures involved -- an exchange of gifts may be expected at the signing of a deal.

Negotiating Styles

* As noted earlier, some of the fundamental assumptions underlying international business transactions may differ dramatically from the assumptions that underlie a company's purely domestic transactions.

--In many countries, your business counterparts will be interested in cultivating a long-term relationship, which is based on trust, friendship, service and quality. Often a sharp contrast with deals between U.S. companies, where price is everything.

--Also, some cultures attach much greater importance than others do to achieving "win/win" outcomes. They are very driven by concept that a deal should have value for both parties.

* For these reasons and many others, companies generally find that their successful cross-cultural business negotiations typically "look" and "feel" much different than their purely domestic transactions.

* Business people from other cultures may expect a much higher degree of attentiveness than is necessarily customary in many U.S. corporations.

--For example, representatives of U.S. corporations are often struck by how they are treated by secretaries and staff in Japanese companies -- crisp, attentive, deferential, courteous, respectful and enthusiastic all come to mind.

--Remember this, and give appropriate instructions to secretaries and other staff when you are preparing to welcome overseas business counterparts to your offices.

--For example, nice touch to let receptionist know who you are expecting, so that receptionist can demonstrate some recognition of the visitors' importance, pronounce names correctly, and welcome them with "We have been expecting you."

* Many countries have highly stylized business rituals of some form or another concerning refreshments for business meetings.

--In meetings in Brazil, a maid is likely to enter the conference room every half hour or so to serve everyone present fresh demitasse cups of espresso. In Japan, some junior aide will serve everyone fresh bowls of green tea at regular intervals throughout the day.

--Bear this in mind when hosting overseas visitors in your offices. The egalitarian "help yourself" model typical of the U.S. and some other countries may be rude or offensive to some visitors.

--For example, visiting Japanese should be served beverages individually where possible, starting with the most influential member of the Japanese delegation (who typically will sit in the middle).

* U. S. is a country uniquely driven by the theory that "time is money." Negotiating sessions in purely domestic transactions between U.S. companies reflect a "get down to business," "roll up our sleeves," "cut-to-the-chase," "bottom-line" orientation. Exchange of pleasantries is minimal.

* But, in business cultures of many other countries, there is much greater emphasis on exchange of pleasantries, and cultivating long-term relationships.

--Meetings should begin with acceptable topics of general conversation, such as the weather, mutual friends, your impressions of one another's countries, hobbies or sports.

--In dealing with the Japanese, sharing personal things such as wallet photos of your children can convey a sense of closeness and familiarity.

--And, in Mexico, courtesy requires that you ask about your counterpart's spouse and family.

--On the other hand, in Saudi Arabia, such a question would be considered an invasion of privacy.

--Again, the customs and mores vary from culture to culture.

* One area of particular sensitivity is humor. Business executives in some cultures like to tell a joke or anecdote at the beginning of a negotiating session, to put everyone at ease.

--Often an effective strategy in purely domestic setting. But very risky in an international context. Humor is something which is very culture-bound; it just doesn't "translate" between cultures.

--An article some years ago in Advertising Age magazine illustrated this point: "Think back over your last meeting and consider . . . the humorous little anecdote you opened the meeting with . . . The French smiled (or was it a smile?), the Belgians laughed, the Dutch looked puzzled and the Germans took you literally (and are even now trying to work out how it was anatomically possible). Along the line, you probably appeared to be trivializing several deeply held ethnic, religious or cultural beliefs."

* Always a good idea to learn a few key phrases in the other language, where possible. Taking an introductory

level language course (offered in many cities at Cultural Institutes or universities) gives you a little knowledge about their country and their culture, and enables you to pronounce names correctly.

* But, particularly in Japan, may be a mistake to appear too sharp and fluent with their language. Fluency by a Westerner usually creates uneasiness and mistrust. Know a few key words, but let your conversation be conducted in English, a language the Japanese know well.

* Even where your overseas counterparts are fluent in your language, remember that it is not their native tongue.

--Speak slowly and clearly. Pause from time to time, to let your words "sink in" and to give your listeners time to mentally "catch up."

--Use short, simple, declarative sentences.

--Avoid complex sentence structures, which may be confusing for non-native speakers.

--Paraphrase and repeat, amplify and even translate (if necessary) throughout your meeting, to ensure that your message is as clear as you can make it.

--Avoid contractions, slang, colloquialisms and acronyms. For example, Americans often forget that their visitors from overseas may have learned "the Queen's English," not "American."

--One French businessman explained: "French people who learn scholastic English are taught "cannot" as the negative of "can," and often don't even hear the "t" in "can't." Imagine what that can do to a bargaining session."

--Put as much in writing as possible. Make maximum use of agendas and other written materials. Use a blackboard whenever possible. Comprehension of the written word is generally much higher than spoken word. And putting it in writing allows reader to absorb at his or her own pace.

* Even purely domestic business negotiations can be exhausting. International negotiations can be particularly exhausting for negotiators who must work in a language which is not their first tongue.

--Some negotiators try to exploit their counterparts' exhaustion, by pressing for agreement on key points at strategic times.

--Such tactics are probably resented and counterproductive in the long run, but I leave that for you to decide for yourself. (Think of how you feel when you're jet lagged, you know your judgment is impaired, and someone is pushing you for a decision.)

--Try to schedule frequent breaks in negotiations, so that your counterparts stay fresh. They will be grateful, and you probably will get more done in a day than if you all stay captive in the conference room till you drop.

* To complicate matters even more, words don't always mean what you think they mean in international business negotiations.

--For example, a Frenchman can be saying "yes," "yes," "yes," throughout a session, to convey that he understands what is being said. The other party (from another culture) may mistakenly hear that "yes" as "I agree."

--And it gets worse. The Japanese executive will say "Hai," which literally means "yes." But it doesn't mean "I agree" -- or even, as in the case of the Frenchman, "I understand." It may mean simply, literally, "I hear what you are saying."

* Even gestures can be misleading. In Bulgaria, nodding one's head traditionally means "no," and shaking one's head means "yes." Think how *that* could confuse negotiations!

* Avoid saying "no" to the Japanese. Because of the culture's concern for saving face and maintaining surface harmony, the Japanese have an aversion to the word.

--To avoid being impolite, they will either simply not respond or will give an evasive answer such as "It will be very difficult" or "We will try our best." Don't kid yourself; this generally means "no."

* Finally, one should not necessarily be anxious if there are long periods of silence in international negotiations.

--In Japan, and in many other countries, silence is a means of buying time or feeling out the next step. Silence is also sometimes used as a method of giving in without losing face.

* Even the way in which meetings are conducted changes when the parties are from different cultures.

--In French business culture, as in many other countries, participants are expected to come to all meetings much more prepared than is the norm in countries such as the U.S. They will expect you to be highly prepared as well.

* Meetings involving U.S. business executives often reveal another cultural difference: the American penchant for questioning.

--Americans tend to use meetings as a kind of "group therapy." We don't hesitate to ask questions, offer suggestions, and "hash things out."

--This concept is very foreign to the French, and to many other cultures. For example, a French person may perceive a question at the end of a presentation as criticism, at least at first. Because of their educational system, questions can make them defensive.

* Even bargaining strategies may be dramatically different.

--For example, training seminars in the U.S. teach business executives: "Aim high. The more you ask for, the more you'll get."

--But, in Russia, Brazil and China, you will want to put even more "fat" than usual in your opening bid. Business people there expect to really beat you down on price. If you don't have enough bargaining room built in, you may well lose the deal.

--In Scandinavia, it's the other way around. Scandinavians generally find unacceptable the common U.S. practice of inflating a bargaining position before negotiations begin, to "leave room" for an inevitable compromise. Thus, for example if you cave in and give Swedes or Danes a major price concession, you risk losing credibility. They expect you to quote a reasonable price right from the start and then stick close to it. So be sure to have a good reason for any significant discount you offer later.

* Negotiating and closing an international deal likely to take substantially longer than a purely domestic deal. Some of the reasons are obvious -- the need for travel, major time zone differences, linguistic barriers, and so forth.

* Some cultures observe many more holidays than in other countries, or the typical work week may be shorter.

--For example, in some European countries (most notably France), business essentially shuts down and almost everyone goes on holiday (vacation) for the month of August. (This is beginning to change, however.)

--And, in much of the Muslim world, the traditional work week is Sunday to Wednesday. (Thursday, Fridays, and typically half of Saturdays are holy days.)

* Constant interruptions in certain business cultures are yet another reason that making a deal takes longer overseas.

--In India, Pakistan and the Arab countries, for instance, the local party you are negotiating with will rarely instruct the secretary to hold calls or tell unscheduled visitors to wait. That would be inexcusably rude behavior to friends and relatives, who are accustomed to dropping in unannounced at any time.

* Approval and decisionmaking processes in other countries may be a major factor as well.

* For example, I once spent six months negotiating a deal with a French company. I thought we had everyone at the table. At the end of those six months (when I thought we had a deal), I was distressed to learn that, while Paris headquarters had been briefed periodically on the progress of the deal, the general practice is to delay senior management's line-by-line review of the terms until after negotiators on both sides have reached full agreement on a draft, which is only then submitted for headquarters' approval.

* Similarly, in most large Japanese companies, all levels of the corporate hierarchy are carefully sounded out and consulted before any major agreement is made. The pace of negotiations will be greatly affected by some of their business practices, such as "Kaigi" and "Ringi."

--Because of the emphasis on consensus decisions in Japanese companies, conferences -- "kaigi"-- are held normally twice a day.

--In the "ringi" system, a proposal must be written down and circulated to each decision maker, so that he can give his seal of approval. A seal called "hanko" is placed on the document. Can take a month or more to make a single decision using this process.

* Meanwhile, top executives of German companies want all the heads of departments concerned to check off on any important question. This means that decisionmaking in Germany is usually faster than in Japan, but slower than in the U.S.

* In India and Pakistan, on the other hand, even minor decisions normally can be made only by the chief in command. When that person is busy or on the road, nothing happens at all. The good news is that this authoritarian style does lend itself to quick decisions when the leader is on hand.

* International negotiations take a great deal of time -- often five or six times longer than purely domestic negotiations -- and are complicated by crucial differences in negotiating styles. The successful global businessperson will need patience, knowledge and sensitivity to reach the bottom line despite these challenges.

Lobbying Styles

* Just as executives must modify their negotiating styles to be effective in the international marketplace, they must also adapt their lobbying style to be effective abroad.

* In his book, *Effective Lobbying in the European Community*, James Gardner points out past instances where American lawyers tried to use typical U.S. "hardball" lobbying tactics on the European Commission in Brussels, with catastrophic results.

* Unlike lobbying here in Washington, lobbying in Brussels is not so much a matter of access and "who you know." Instead, it is a sophisticated, formal process focused more on substance and careful documentation.

* Mr. Gardner has identified a few "mega-themes" of effective Euro-lobbying, which merit serious consideration:

--Keep it low-key.

--Keep it short and substantive.

--Keep it long-term. Europeans value personal relationships more highly than do Americans. This means that would-be American lobbyists must patiently strive to build relationships with Eurocrats and Members of the European Parliament long before crises develop.

--Get in early. It's far easier to shape unformed opinions than to change minds that have been made up, even tentatively.

--Use the bottom-up approach. Focus on the lowest possible level at which recommendations are made and working drafts are generated. Find and befriend the low-ranking technical specialists within the European Commission.

--Remain vigilant. Never assume that you have won an issue once and for all. Rejected proposals can resurface in strange and mysterious ways.

Corruption

* In some cultures -- e.g., Denmark -- attempts to influence public officials (even through business entertaining or the sort of gifts common elsewhere in the world) may backfire.

-- In such countries, any whiff of irregularity is an affront.

* In other cultures, outright payments to public officials (modest or quite substantial) may be the norm -- what some countries would consider to be "bribes" or "kickbacks."

* Critical to know and respect law in your home country, law in the other country, and your corporate culture (which may well be more conservative than law requires).

* For more information, see website of Transparency International, which posts annual "Corruption Perceptions Index" (CPI) for countries around the world at www.transparency.de

B. Cross-Cultural Issues for Lawyers

* Lawyers face additional challenges in cross-cultural dealings, above and beyond those faced by international business people generally.

* Don't just mean mastering the fundamentals of international business law. That is important -- but it's a topic for another paper and another day.

* Talking instead about matters such as differences in the roles of lawyers, differences in legal terminology,

and fundamental differences in basic legal instruments. A few examples will suffice.

* One of the biggest differences between the U.S. and many other legal cultures around the world is the perceived role of the lawyer.

--In the U.S., lawyer is viewed much more as part of the corporate "team." Corporate counsel much more integrally involved in day-to-day decisionmaking. You're expected to roll up your sleeves and participate actively in actually negotiating the deal. Distinction between "legal advice" and "business decisions" may be blurred.

--In contrast, in much of the rest of the world, the lawyer's role is defined very differently. Lawyer is not considered part of the negotiating team. Indeed, the lawyer may consider it almost unseemly or beneath himself or herself to "dirty" his or her hands with the specifics of a particular deal. (Always have this mental image of lawyer sitting in ivory tower waiting for phone to ring.) Lawyer does not participate actively in negotiations. If a discrete legal question arises, the negotiating team may seek the advice of their counsel. But, even then, the lawyer is likely to render his or her opinion more or less in a vacuum (i.e., without the overall familiarity with the terms of a deal that a U.S. lawyer would insist on.) After deal is struck, draft contract may or may not be submitted to counsel for review before signing. But, even if it is submitted for review, counsel's scope of review likely to be much more narrow than it would be in the U.S.

--In short, depending on their culture, your counterparts at the negotiating table may be quite surprised to see a lawyer as part of the working-level, day-to-day negotiating and drafting team for your company. May be wise to let them know in advance to expect you and that you're routinely an active member of your company's negotiating team, so that your presence at the bargaining table is not misinterpreted as a sign of distrust and does not chill the negotiations.

** Legal terminology is another problematic area in cross-cultural dealings. Again, just a few examples to illustrate the point:

--Cannot directly translate most "legalese." For example, what we in the U.S. call "statute of limitations" is called "prescriptions" in much of the rest of the world, where the civil law system (not our common law system) operates.

--And sometimes the same word or concept is used, but it means slightly different things. The concept of "estoppel," for example, exists in both the civil law and common law systems, but there are some important differences in meaning.

--And some U.S. legal concepts simply do not exist at all in other legal cultures-- punitive damages, for example, and discovery

* Last example is fundamental differences in basic legal instruments.

--Simply stated, contracts in the U.S. tend to be much longer and much more detailed than those commonly drafted by companies from other parts of the world. U.S. lawyers typically strive to write airtight documents that foresee and address every conceivable contingency.

--In contrast, elsewhere in the world, companies' contracts often are drafted to cover only the basic terms of the deal. Business relationships abroad are based much more on trust and mutual self-interest than the four corners of a document.

--You can imagine what this can do to a negotiating session, when the two sides have fundamentally different views about the number and type of issues on which they must reach agreement, and what their ultimate work product will look like. One party envisions a document of several hundred pages, and the other party is thinking twenty pages at most.

C. Unique Cross-Cultural Challenges for Women

* Obviously, women face special challenges in international business. In some cases, gender simply compounds a problem faced by all (male and female) who do business in an international context. In other cases, women face unique issues that men do not.

* Perhaps most important cross-cultural issue for U.S. women in international business is understanding that, on a country-by-country basis worldwide, most cultures operate on one of two fundamentally different assumptions about the ideal role of women in management.

* A superb essay by Nancy Adler and Dafna Izraeli, "Women in Management Worldwide" (published in a book by the same name), explains the two models:

--"Equity Model," based on the assumed *similarity* of men and women; and

--"Complementary Contribution Model," based on the assumed *difference* between men and women.

* These two very different models are summarized in a table prepared by Adler and Izraeli, reproduced at the

end of this paper.

* Equity Model, based on assumed similarity, is most pervasive in the U.S. In this model, women are assumed to be identical -- as professionals -- to men, and therefore equally capable of contributing in ways similar to those of men.

--From perspective of this model, primary question is access. Are women given the opportunity to demonstrate their competence?

--Given the emphasis on access to the male-dominated management world, process for women entering management is assimilation: women are expected to act, dress and think like the men who currently hold the aspired-to management positions.

--Effectiveness is measured against male norms: "Can she do what he has been doing as well as he has been doing it?"

--Potential for women to make a unique, different but equivalent contribution is outside the logic of the Equity Model, and therefore invisible.

* Complementary Contribution Model, on the other hand, is based on the assumption of difference, not similarity. Pervasive throughout Europe and evident in many other areas of the world. In this model, men and women are assumed to differ and therefore to be capable of making different, but equally valuable, contributions to the corporation.

--From this second perspective, change strategies revolve around (1) identifying unique contributions of men and women, (2) fostering conditions to allow both types of contributions to be made and rewarded within the corporation, and (3) looking for synergy -- ways in which men's and women's contributions can be combined to form better processes and solutions to the corporation's problems.

--Under this second set of assumptions, women managers are expected to act, dress and think "like women." Their behavior, though similar in some ways to that of their male colleagues, differs in many important respects.

* Interestingly, each model tends to be labeled heresy when viewed through the eyes of the other.

* From perspective of the Equity Model, seeing women as different is tantamount to seeing them as inferior.

--From this point of view, there is one best way to manage, and women should be given equal access to that

way. By contrast, from perspective of the Complementary Contribution Model, there are many equally valid (yet different) ways to manage, based on recognizing, valuing and combining the differences between men and women.

--From this second point of view, not to see women's uniqueness is to negate their identity and, consequently, negate their contribution to the corporation.

* What all this means is that your overseas counterparts across the bargaining table (both male and female) may have views of your role as a woman executive and your place in the corporate world that are very different from your own views.

--To oversimplify, they may expect you to act, dress and think "like a woman." You, in turn, expect to be treated on a gender-blind basis, like "one of the guys."

* From another angle, though, some women lawyers in the U.S. report that they actually find it easier to do business abroad than here at home.

--According to these women, U.S. male executives see them first and foremost as women.

--But business executives from abroad see them first as lawyers and "foreigners," and only then as women.

* Against the backdrop of this discussion of these two distinct models of the role of women in management, two additional points are worth noting.

* First, as indicated above, gender in some cases compounds a more generally applicable cross-cultural issue.

--Earlier discussed significance of long-term relationships in doing business globally, and the critical importance of business entertaining in building those long-term relationships.

* But many of the cross-cultural issues in international business entertaining are particularly sensitive for women: Can a woman extend a social invitation to her male overseas counterpart? To what kind of function? Dinner only? Or a social event like opera, ballet, etc.? Should she invite the wife as well? Who pays? (These issues are dicey enough for women in purely domestic context!)

--Along the same lines, mentioned the importance of introductory pleasantries as a prelude to international negotiating sessions, contrasting the "let's-get-down-to-business" approach in negotiations between U.S. companies.

--But, while a woman's male colleagues can safely ask their overseas counterparts about their wives and children, the woman will of course worry about sending the wrong message--i.e., having it appear as though she is interested in their marital status and "availability" for a personal relationship.

--There are no easy answers to these dilemmas.

* Final observation concerns a cross-cultural challenge that most women in international business must eventually confront, and that men rarely do: sexual advances.

--Customs and mores on flirting and sexual advances are very nuanced and differ greatly from one culture to the next.

--Whether because of "crossed signals" or because she is foreign and thus exotic and attracts more attention, chances are much higher that a woman will be on the receiving end of unexpected sexual overtures when she is traveling abroad than when she is in her home country.

--Women traveling abroad must be prepared to deflect such overtures gracefully, and should not tolerate advances that they wouldn't tolerate at home. Above all, they must trust their instincts.

III. "UNIVERSAL" CROSS-CULTURAL GUIDELINES

* In the end, cross-cultural communication can be very daunting.

* Good news is that there are some "universal" cross-cultural guidelines that will cover almost every situation.

* First, study the culture of the people you are going to be dealing with.

--If you are going to be doing business with someone from another country (and especially if you will be traveling in that country), do some advance preparation. Read up on the city and country, and its culture; Talk to your local counsel, or someone in your company who knows the country; etc.

* Second, learn a few words in their language, so that you can greet them, thank them, and pronounce names correctly.

* Third, condition yourself to be receptive to new ideas, new values and new ways of looking at the world.

--Be aware of your prejudices, and leave your assumptions and stereotypes behind.

* Fourth, once you've become sensitive to new ideas, make sure you don't misrepresent yourself by being too eager to conform. Avoid being labeled a "fake."

--Don't even try to "Do as the Romans do" in every instance. But *don't* do what the Romans *don't* do.

--In other words, you run the risk of looking "phony" if you try to observe every custom and to blend in perfectly. But it is important to know and honor a country's true "cultural taboos."

* Fifth, avoid "absolutism" -- right/wrong, good/bad, honest/dishonest.

* Sixth, when you're abroad on business, show an interest in the country's culture. Ask your hosts' advice on what to see and do.

* Seventh, "active listen" at all times.

* Eighth, find a "mentor" (overseas local counsel, a sympathetic concierge, someone to whom you can ask embarrassing questions).

* Ninth, be aware that gender itself is a major cross-cultural issue (for example, the "unisex" management model embodied in U.S. culture is not shared abroad).

- * Tenth, be prepared to handle sexual overtures.
- * Eleventh, know your optimal stress level and make allowances for jet lag, dietary changes, and the many other difficulties inherent in travel abroad. Don't "push your limits" in an unfamiliar setting.
- * And, finally, know yourself, have faith in yourself, and -- above all -- trust your instincts.

Vive la difference!

Bon voyage!

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