



Assess, Don't Assume, Part I: Etiquette and National Culture in Negotiation

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ASSESS, DON'T ASSUME, PART I: ETIQUETTE AND NATIONAL CULTURE IN NEGOTIATIONⁱ

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Abstract

When facing a cross-border negotiation, the standard preparatory assessments—of the parties, their interests, their no-deal options, opportunities for and barriers to creating and claiming value, the most promising sequence and process design, etc.—should be informed and modified by two classes of potentially relevant cross-border factors, the general and the negotiation-specific. Drawing on considerable literature in cross-border and cross-cultural negotiation, this paper develops the first two levels of a four-level prescriptive framework for effectively carrying out such assessments:

- 1. Common expectations for surface behavior: etiquette, protocol, and deportment.** *A surface-level assessment informs one about local expectations concerning greetings, business cards, gift-giving, dress, punctuality, body language, table manners, and so forth.*
- 2. Deeper cultural characteristics and their implications for the negotiation process itself.** *Below the surface are characteristics such as whether a culture is focused on the individual or the collective, the nature and importance of relationships, how personal space and the role of time are viewed, the extent to which authority and hierarchy are accepted, how ambiguity and risk are regarded, and so on. Extending this assessment to expectations that are more specific to the negotiation process itself yields several questions: Is there a view that negotiation is a collaborative process aimed at mutual advantage or a competitive battle? Should one focus on specific issues early on or is there a lengthy process of relationship building first? Is the process formal or informal? Is communication direct or indirect? Are agreements constructed from general principles “down” or from specific provisions “up”? And so on.*

The bulk of this essay develops these two points but with some strong caveats against stereotyping, over-emphasizing national culture, falling prey to potent psychological biases in cross-cultural perception, as well as potentially adapting “past” one’s counterpart. [A close companion paper--“Assess, Don’t Assume, Part II: Decision Making, Governance, and Political Economy in Negotiation”--elaborates the importance to effective negotiating strategy and tactics of incorporating two less well-studied factors beyond etiquette and deeper cultural characteristics: 3) systematic cross-border differences in decision making, governance, and 4) the broader economic and political context for negotiation as well as salient “comparable” deals.]

Some negotiation advice applies universally despite the globalization of business: Be clear on exactly which parties are involved. Assess the full set of interests at stake, both yours and theirs. Estimate each side's no-deal alternatives. Think through the role of time. Envision value-creating deals. Design agreements for sustainability. Choose a process that productively manages the tension between cooperation and conflict. Sequence carefully. Act both at and away from the table to set up the most promising negotiation. Reset the table when useful. And so forth.ⁱⁱ

Yet it may seem hard to apply this kind of straightforward dealmaking advice in unfamiliar national settings. Part of the perceived difficulty may be potential landmines of etiquette: on the way to "yes," should you *Kiss, Bow, or Shake Hands?*ⁱⁱⁱ

A Silicon Valley corporate chief and some of his aides recently went to Asia to meet with a number of foreign officials. "We decided to show them the real us and go the way we show up in our offices everyday—baseball caps and T-shirts," he said.... "Being American, I got right to it," the chief said, recalling his remarks at one luncheon. In his opening statement he said the host country's President and Cabinet Ministers were inept. Upon reflection...^{iv}

Without greater cultural sensitivity than these hapless executives displayed, negotiators risk accidentally blowing up the deal, or, at a minimum, badly misreading the other side. Stacks of cross-cultural etiquette guides seek to ease this worry. A typical example dubiously promises to instruct its readers *How to Negotiate Anything With Anyone Anywhere Around the World*.^v But even if you never choose the wrong greeting, pick up the wrong utensil, or inadvertently make a gesture suggesting your counterpart's spouse is unfaithful, are you really ready to deal effectively across borders?

Obviously not. Etiquette concerns are only one level in a complex set of factors that can influence cross-border negotiating behavior. Knowing when to accept tea may matter, but often less than understanding the other side's decision process, whether their focus is mainly on the deal or the relationship, and what the government policy is toward the kind of transaction in question. Yet beyond differences in surface behavior, and apart from the usual ingredients of preparation that apply to any negotiation, what distinctive factors should a cross-border dealmaker consider?

As a student of negotiation with a fair amount of international experience—but not as an academic cross-cultural specialist—I began to write this paper out of some frustration with the narrow behavioral focus of much published advice to international negotiators.^{vi} As such, I seek to capture a wider range of relevant factors in a four-element framework together with a strong warning against common cross-cultural fallacies.

One might reasonably question the premise that negotiating across national borders somehow systematically differs from negotiating within borders; put otherwise, is "cross-border" a meaningful distinction? To push the skeptical point, does anything systematically change when a New York City manufacturer negotiates with a supplier in Buffalo versus Hoboken? Not obviously; city limits and state lines are not usually central to negotiating strategy. But some differences *might* emerge when the same New York manufacturer deals with a Cajun supplier from Lafayette, Louisiana. But the New York-Louisiana deal could be at risk if either: 1) the New Yorker assumes the Cajun is a clone of himself, merely with a different accent, or 2) the New Yorker assumes that the Cajun is fundamentally different but in (wrongly) stereotypical ways. The Cajun's assumptions about "New Yorkers" carry similar risks. Good general advice about the possible similarities or differences of negotiating counterpart—for the New Yorker, the Cajun, or, more strongly, for the cross-border negotiator—is "Assess, don't assume." The framework developed below offers a set of categories for making that assessment together with some cautions about how to make it.

Overview. In the course of preparing to negotiate across a national border, you should start as you would for any negotiation—the parties, their interests, the no-deal options, opportunities for and barriers to creating and claiming value, etc.^{vii} This preparation should be informed and modified by four factors that are

grouped into two classes of potentially relevant cross-border assessments, the general and the negotiation-specific.

1. Learn about common expectations for surface behavior: etiquette, protocol, and deportment.

A surface-level assessment informs one about local expectations concerning greetings, business cards, gift-giving, dress, punctuality, body language, table manners, and so forth.

2. Learn about deeper cultural characteristics and their implications for the negotiation process itself.

Below the surface are characteristics such as whether a culture is focused on the individual or the collective, the nature and importance of relationships, how personal space and the role of time are viewed, the extent to which authority and hierarchy are accepted, how ambiguity and risk are regarded, and so on. Extending this assessment to expectations that are more specific to the negotiation process itself generates several questions: Is there a view that negotiation is a collaborative process aimed at mutual advantage or a competitive battle? Should you focus on specific issues early on or is there a lengthy process of relationship building first? Is the process formal or informal? Is communication direct or indirect? Are agreements constructed from general principles “down” or from specific provisions “up”? And so on.

Caveat: Avoid cross-cultural fallacies. The bulk of this essay elaborates these two points but with some very strong caveats. Just as you should not be oblivious to culture, you should avoid cross-cultural fallacies. The last section of this paper elaborates the four cautions highlighted below:

- **The John Wayne v. Charlie Chan Fallacy: stereotyping national cultures:** Don’t assume that nationality implies culture and that culture is monolithic. The variation within a national culture may be significant, often greater than the variation across different national cultures. And cultures can vary over time: China’s business culture of thirty years ago, let alone Singapore’s, is hardly today’s.
- **The Rosetta Stone Fallacy: overemphasizing national culture:** National culture can be highly visible but is only one of many possible cultures (such as the professional cultures of financiers, diplomats, or engineers) and only one of many other possible influences on negotiated results (such as the economics of the business, competitors, personality, regulation, technology, etc.). Don’t assume that an assessment of national culture is the one complete key to understanding the other side and predicting its actions in a negotiation context.
- **The VFR at Night Fallacy:** Falling prey to potent psychological biases in cross-cultural perception. Just as trying to pilot by “visual flight rules” (VFR) at night or in a storm is hazardous, the psychology of cross-cultural perception can be treacherous. Beware the witches brew of biases and psychological dynamics that can bubble up when one begins to label “other” groups, attribute characteristics to them, and act on these perceptions.
- **St. Augustine’s Fallacy:** When in Rome, don’t necessarily try to do what (you think) the Romans do; there may be much better options.^{viii}

A companion paper (*Assess, Don’t Assume, Part II: Decision Making, Governance, and Political Economy in Negotiation*), elaborates two factors well beyond etiquette and deeper cultural characteristics. These round out essential preparations for cross-border dealmakers. To preview:

3. Learn about the decision-making and governance processes you will seek to influence. Since you are typically seeking to cause an organization to agree with your proposal, what decision-making and governance processes are involved? Who has what decision rights? Is it a one-person authoritarian process? By consensus? A key subgroup? Formal? Informal?

4. Learn about the broader economic and political context for negotiation as well as salient “comparable” deals. Is there a government policy toward the kind of arrangements you are seeking to negotiate such as the requirement that the majority of a joint venture be owned by a lo-

cal partner? Are high-tech deals particularly sought-after by the state? What recent deals by others, successful or not, will be salient in the minds of your local hosts and authorities when they contemplate yours? Does the political ethos favor state control or privatization? Does a wrenching political transition foster managerial uncertainty and decision paralysis?

1. Familiarize yourself with etiquette, protocol, and deportment in general.

[A U.S. real estate] executive...and two others arrive on the Concorde as guests of a senior French banker with whom they want to do business. The French [banker]...fetches his guests by limousine and inquires politely about their journey. Slapping his host on the back, [the U.S. executive] drawls: "Waal, Pierre, I threw up on the way over. Your French food is jes' too rich."^{ix}

Opening with rude informality and an insult to *la belle cuisine* are certainly among a wide class of etiquette mistakes to be avoided (as well as imagining that all French executives respond to "Pierre"). If you turned to a popular and fairly typical cross-cultural guide for advice on other such *faux pas*, you would find the following:

Never touch a Malay on the top of the head, for that is where the soul resides. Never show the sole of your shoe to an Arab, for it is dirty and represents the bottom of the body, and never use your left hand in Muslim culture, for it is reserved for physical hygiene. Touch the side of your nose in Italy and it is a sign of distrust. Always look directly and intently into your French associate's eye when making an important point. Direct eye contact in Southeast Asia, however, should be avoided until the relationship is firmly established...Your Mexican associate will want to embrace you at the end of a long, successful negotiation; so will your Central and Eastern European associates, who may give you a bear hug and kiss you three times on alternating cheeks. Americans often stand farther apart than their Latin and Arab associates but closer than their Asian associates. In the United States, people shake hands forcefully and enduringly; in Europe, a handshake is usually quick and to the point; in Asia, it is often rather limp. Laughter and giggling in the West Indies indicates humor; in Asia it more often indicates embarrassment and humility..^x

Re-read this advice, if you can bear to do so. This stew of do's and don'ts strikes me almost as self-parody. Although intending to be helpful, it inadvertently suggests how hard it can be to generalize about the specifics of surface behavior. And, even if one could somehow keep straight which rule applied to which situation in which country, the likelihood of regional variation and/or outright error sharply limits the value of such lists.

There is, however, a range of common questions whose answers are useful to know to operate more effectively in a culturally unfamiliar setting. In **Box 1** below, I have distilled a set of such questions pertaining to surface behavior. These topics suggest behavioral expectations for outsiders; familiarity with them may also lessen possible misinterpretation of host behavior.

Box 1

Greetings	How do people greet one another? What role do business cards play?
Degree of Formality	Will my counterparts expect me to dress and interact in a formal or informal way?
Gift-giving	Do business people exchange gifts? What gifts are appropriate? Any taboos?
Touching	Which parts of the body are public? Are handshakes, hugs, or kisses expected? Awkward? (how many? Which cheek(s)?)
Eye Contact	Is direct eye contact polite?
Department	How should I hold myself? (Stiffly? Casually?)
Emotions	Is it rude, embarrassing, or normal to display emotions?
Silence	Is silence awkward? Expected? Insulting? Respectful?
Eating	What are proper manners for eating?
Body Language	Are certain gestures or forms of body language rude?
Punctuality	Should I be punctual and expect my counterpart to be as well?

While not an exhaustive list, seeking answers to these questions, whether in books or through talking with people experienced in the culture at hand, will at least provide a degree of familiarity with basic do's and don'ts. Guides created specifically for business people in cross-cultural situations offer basic etiquette suggestions, generally divided by country or region.^{xi} While some etiquette guides are better than others and all have limitations, they can provide very practical information and a sense of surface cultural character.

For example, consider an American executive thinking about an upcoming trip to the People's Republic of China to negotiate a joint venture.^{xii} Glancing through the China sections of such guides, the executive would find advice such:

- In greeting your Chinese counterparts, use a modestly firm handshake or a slight bow. Touch should not go beyond a handshake. A slap on the back or a hug, for example, would not be appropriate. Avoid informality;
- Have your business cards translated into Chinese. Use both hands to present your counterpart with your card, Chinese side up;
- Do not give a white handkerchief as a gift;
- Sustained eye contact is not polite;
- When eating rice, hold the bowl close to your mouth. Never take the last bit of food from the serving dish;

One naturally wonders if this advice is overly definitive. Will handshakes be welcome in rural settings? Are negotiators in freewheeling southern China as formal as their Northern compatriots? For comparison, consider a Chinese executive poring over a book that purported to describe "American" etiquette to prepare for negotiating with a) a Hollywood studio executive, b) a Texas rancher, or c) a Greenwich hedge fund

manager. Undoubtedly, the advice would overflow with inaccuracies, would miss regional variations and other subtle but important nuances present in any complex culture. In general, etiquette rules listed in books or even recommended by persons in the know should be taken only as general cues rather than strict edicts. Rarely can general advice substitute for sensitivity and careful observation.

Beyond lists of specific do's and don'ts—as useful as they may be—a respectful attitude can go a long way. When AMC executives were involved in a pioneering joint venture in Beijing to manufacture Jeeps, they escorted several members of the Chinese delegation to show off a successful AMC joint venture in Cairo. At three o'clock in the morning, Tod Clare, head of AMC's international division, accompanied the Chinese delegation to the airport to say *bon voyage*, a gesture he observed his Chinese hosts undertake time and again. His sensitivity paid off:

For the next two years, every time [the Chinese delegation's leader] Chen Zutao gave a toast or banquet speech with Clare in the room, Chen would say, 'at three o'clock that morning in Egypt when Mr. Clare said good-bye to us at the airport, I knew we had a deal.'^{xiii}

You should not overemphasize the importance of rules of etiquette, protocol and deportment. Given the growing frequency of international interaction, a certain level of tolerance towards and even adaptation to difference is increasingly common. Depending on the situation, counterparts may readily forgive, and even expect, etiquette oversights. That said, sensitivity to etiquette basics allows negotiators opportunities to avoid inadvertent insults, demonstrate respect, enhance relationships, and strengthen communication.

2. Learn about deeper cultural characteristics and their implications for negotiating behavior.

Some compare culture to an iceberg: what is visible on the surface is small compared to the massive underwater base.^{xiv} The danger of collision is not so much with the tip but, instead a deadly crash below the visible surface. The same can be said of culture: as people from different cultures interact, they may focus on readily apparent differences; but the real collision potential is often hidden.^{xv} The second general assessment to prepare for cross-cultural negotiations, therefore, goes far below surface behavior and seeks to understand deeper cultural characteristics.

Below surface behavior, Swedish writer Selma Lagerlöf suggests that culture for the individual has two paradoxical characteristics:^{xvi}

1. It is learned.
2. It is forgotten.

If one learned as a child to be modest, self-effacing, deferential, and oriented to the group when interacting with other people—as is the case in many Asian cultures—it is easy to forget these admonitions at a conscious level and be shocked by the blunt, confident, individually assertive approach of some North American negotiators. Indeed, at individual and collective levels, a whole series of assumptions about expected and proper social behavior become embedded. They function as invisible norms that guide actions when we are in groups that share such assumptions.^{xvii} But when crossing borders, the odds increase greatly of encountering others whose unconscious assumptions clash with our own. The task of this section of the paper is to develop a series of categories that help us to make explicit that which is unconsciously assumed. Having brought these assumptions to the surface, we may assess them and build them into a much more self-aware and effective negotiating approach. Since culture is both learned and forgotten, effective negotiators must relearn and remember. In short: assess, don't assume.

The idea that such deeper traits can profoundly affect negotiation is not new. In an influential 1960 *Harvard Business Review* article, for example, anthropologist Edward T. Hall called for cultural sensitivity in international business interactions. Now widely regarded as the senior dean of cross-cultural communications specialists, Hall labeled culture the “silent language,” warning that inattention to less apparent cultural norms posed a serious threat to the viability of American companies abroad, and to relations among

nations more generally.^{xviii} In later works, Hall, joined by his wife Mildred Reed Hall, continued to study the impact of “silent culture” on business interactions both in general and in several different national settings.

The Halls’ distinctive contribution perhaps lies less in their analysis of specific cultures than in the categories of characteristics they developed to heighten awareness of deeper cultural variables that may drive surface behavior.^{xix} People in different national cultures may unconsciously exhibit very different behavior with respect to fundamental aspects of life such as relationships, information, space, and time. It can be of great value for the cross-border negotiator to self-consciously review her own assumptions about these basic qualities as well as asking about their manifestation in a less familiar culture. There are numerous sources, not least of which are the Halls’ many works, for investigating these characteristics across cultures.^{xx} **Box 2** summarizes the main categories of the Halls’ analysis.

Box 2

The ‘Silent Language’ of Edward T. Hall	
Relationships	Deal-Focused or Relationship-Focused?
Communication	Indirect, “High context” or Direct, “Low Context?” Detailed or concise information required for decisions?
Time	“Monochronic” or “Polychronic”?
Space	Small or Large “Personal Space” in Social Settings?

The implied advice should be obvious: assess your target culture on (at least) these four dimensions, don’t implicitly assume that they are just like you.

The Great Divide: Deal Focus v. Relationship Focus. While there is a wide spectrum, a “great divide” looms between *deal-focused* and *relationship-focused* cultures.^{xxi} In deal-focused cultures, relationships grow more from deals while, in relationship-focused cultures, deals are seen as the implications of already-developed relationships. In relatively deal-focused locales (much of North America, Northern Europe, and Australia), relationships matter, of course, but the relational threshold for doing a deal can be far lower than in relationship-focused locales (much of Latin America, Southern Europe, South and Southeast Asia). Obviously, understanding this distinction for a given culture gives strong guidance as to where one puts one’s negotiating energies at the outset. Good questions to ask include:

- How deep must a relationship be to support productive business dealings?
- Is the concept of friendship reserved for the most intimate personal links or does it apply more superficially?
- How long does it take to establish trust?
- What are the obligations of friendship and more general expectations of reciprocity?

Communication: Direct v. Indirect. In some cultures, information is conveyed directly, clearly, and even bluntly: “telling it like it is” with “no beating around the bush.” Meaning is largely self-contained, hence the Halls’ term “low-context” or little reliance on contextual cues. In other cultural settings, such as China, information is generally conveyed quite indirectly, with great reliance on shared contextual cues; these are “high context” cultures. Richard Gesteland contrasts the difference between cultures even when the mutually spoken language is English:

A Dutch or German negotiator will choose his words carefully so that his counterparts will understand exactly what he is saying.... Meanwhile, his Arab, Japanese, or Indonesian counter-

parts are choosing their words even more carefully—but for a completely different reason...[so] no one at the meeting will be offended.... [N]o crude bluntness, no loss of face.... In relationship-focused, high-context cultures, directness and frankness are equated with immaturity and naiveté—perhaps even arrogance.... [O]nly children and childish adults make a practice of saying exactly what they mean. They just don't know any better.^{xxii}

Another informational distinction of potentially great importance has to do with the extent and nature of information required for comfortable decision-making. Many North Americans tend to prize concise, to-the-point information that cuts to the heart of the matter. By contrast, their Chinese counterparts may seem to have a virtually insatiable appetite for detailed data and may make multiple requests for closely related or even identical information. Good questions to ask include:

- In social or business interactions, is much of the essential information implicit and indirectly relayed with a high reliance on shared context for meaning (“high context” communication)?
- Or is information fully and directly conveyed with minimal reliance on tacitly shared factors (“low-context” communication)?
- What is the extent and nature of information required for decision-making?
- Is information guarded or shared within or among organizations?

Time: Monochronic v. Polychronic. In cultures, one often hears that “time is money” and an admonition to “get down to business.” Punctuality and schedules are important and taken literally. Meeting agendas tend to be fixed and the focus is on “one thing at a time.” This is a “monochronic” orientation which contrasts with a “polychronic” attitude toward the clock where time is much more fluid and interpersonal relationships take precedence over schedules. Deadlines are flexible and a combination of interruptions and multiple task-juggling is the norm.

Personal Space. The size of the invisible “bubble” of personal space surrounding a negotiator varies by culture, counterpart, and occasion. Invading personal space by moving too close or inappropriate touching (e.g., back-slapping) can produce extreme discomfort, especially in relatively formal cultures. By contrast, the Swiss negotiator who instinctively backs away from his up-close Brazilian counterpart may inadvertently suggest disdain and unfriendliness. Good questions to ask include:

- How large or small is one's personal space (invisible “bubble”)? How does it correlate with “social distance”?
- How uncomfortable is a “violation” of one's personal space or a perceived “distancing” of one person from another?
- Are closed spaces uncomfortable?
- Does physical space (e.g. large office) confer status?

Complementing the Halls' focus on the “silent language” of culture—of relationships, information, space, and time—Geert Hofstede drew on surveys of more than 60,000 IBM employees in over 40 countries to develop four ‘dimensions’ of cultural differences.^{xxiii} In his seminal study, *Culture's Consequences*, Hofstede undertook perhaps the most comprehensive analysis of the impact of culture in the workplace to date that has formed the foundation for a body of scholarship—though it is not without detractors.^{xxiv} The main dimensions Hofstede developed and their potential relevance to negotiation are outlined in **Box 3** below:

Box 3

Hofstede's Cultural Dimensions*	
Power Distribution	Are significant power disparities accepted? Or is the society more egalitarian?
Tolerance for Uncertainty	How comfortable are people with uncertainty or unstructured situations?
Individualism-Collectivism	Is society organized around individuals or the group?
Harmony-Assertion	Does the society emphasize interpersonal harmony or assertiveness?

* I have renamed some of Hofstede's categories to communicate their essence more clearly.

Hofstede's work has two main virtues in preparing for negotiation. First, the cultural characteristics he crystallized and highlighted are often important for cross-border negotiators.^{xxv} Second, his extensive empirical grounding makes it very easy to get a quick read of the central tendencies he found by country of interest. For example, according to Hofstede's rankings, those from countries with high power disparity like Singapore and Malaysia are more comfortable with highly defined structures of more centralized authority. Hofstede found the Japanese and Guatemalans are extremely risk averse. The United States ranked highest on the independence scale, and relatively high as a country whose citizens display a competitive nature. See **Table 1** below for country/region rankings of these four characteristics.

Table 1. Rankings of (53) national/regional cultures using Hofstede's classification

Rankings of (53) national/regional cultures using Hofstede's classification*				
Country	Power Distribution (1=accept authority, 53=egalitarian)	Tolerance for Uncertainty (1= risk averse, 53=not risk averse)	Individualism-Collectivism (1=individualistic, 53=collectivist)	Harmony-Assertion (1=seek harmony, 53=assertive)
Arab Countries	7	27	26	23
Argentina	35	12	22	20
Australia	41	37	2	16
Austria	53	24	18	2
Brazil	14	21	26	27
Chile	24	12	38	46
Columbia	17	20	49	11
Costa Rica	43	12	46	48
Denmark	51	51	9	50
East Africa	22	36	34	39
Ecuador	8	28	52	13
France	15	12	10	35
Germany F.R.	43	29	15	9
Great Britain	43	47	3	9
Greece	27	1	30	18
Guatemala	3	3	53	43
Hong Kong	15	49	37	18
India	10	45	21	20
Indonesia	8	41	47	30
Iran	29	31	24	35
Ireland	49	47	12	7
Italy	34	23	7	4
Jamaica	37	52	25	7
Japan	33	7	22	1
Malaysia	1	46	36	25

Mexico	6	18	32	6
Netherlands	40	35	4	51
Country	Power Distribution (1=accept authority, 53=egalitarian)	Tolerance for Uncertainty (1= risk averse, 53=not risk averse)	Individualism-Collectivism (1=individualistic, 53=collectivist)	Harmony-Assertion (1=seek harmony, 53=assertive)
New Zealand	50	40	6	17
Norway	47	38	13	52
Pakistan	32	24	47	25
Panama	2	12	51	34
Peru	22	9	45	37
Philippines	3	44	31	11
Portugal	24	2	34	45
Singapore	13	53	40	28
South Africa	35	39	16	13
South Korea	27	16	44	41
Spain	31	12	20	37
Sweden	47	49	10	53
Switzerland	45	33	14	4
Taiwan	29	26	43	32
Thailand	22	30	40	44
Turkey	18	16	28	32
Uruguay	26	4	29	42
U.S.	38	43	1	15
Venezuela	5	21	50	3
West Africa	10	34	40	30
Yugoslavia	12	8	34	48

* I have renamed some of Hofstede's categories to communicate their essence more clearly.

In sum, an assessment of deeper cultural characteristics according to the dimensions highlighted by the Halls and Hofstede poses very useful questions about a target culture. The Hall-Hofstede dimensions obviously overlap and have direct implications both about etiquette as well as negotiation process expectations. Slightly rearranged, renamed, and combined in **Box 4** below, they provide useful categories for generating a broad cultural profile:

Box 4

Social unit:	individual v. collective
Power distribution:	relatively egalitarian v. acceptance of strong authority
Relationship importance:	deal-focus v. relationship-focus
Nature of Interaction	competitive/assertive v. cooperative/empathetic
Communication:	high-context, indirect communication v. low-context, direct communication
Tolerance for uncertainty:	high v. low; need for concise v. detailed information in decision-making
Time:	monochronic v. polychronic
Space:	preference for small v. large interpersonal distance in social settings

Imagine an encounter between two well-dressed, cell-phone-equipped business executives discussing a possible joint venture. Superficially, the two might appear to be very much on the same business page. Yet below the surface and behind the two regionally distinct versions of English could lurk some very potent, unspoken cultural dissonance. One might be focused on building the equivalent of a marriage while the

other wanted to do this transaction and move on to the next, letting the executives from his firm who would share management responsibility worry about getting along with the “other side” as long as it made economic sense to do so. One might envision a joint problem-solving process while the other was willing to push very hard under the assumption that the first side would take care of its own interests. The two sides might be shocked to view their creation a year or two hence as the clashing assumptions surfaced around any number of operating and strategic issues.

The Halls and Hofstede are icons in the cross-cultural pantheon but their categories are not exhaustive and their analyses hardly limit the range and depth of cross-cultural scholarship.^{xxvi} For example, other important issues include differential views of fairness and justice, how status is accorded (by accomplishment, knowledge, social position, age, etc.), whether people should seek to control nature or adapt to it, where boundaries are drawn between our public and private lives, cognitive style, sources of self-image and esteem, etc. Yet the Hofstede-Hall work is quite accessible while going much deeper than general etiquette guides; it provides a solid foundation for a more negotiation-specific assessment.

Assess the Negotiation-Specific Expectations of these deeper cultural characteristics. Some general aspects of etiquette and deeper culture, such as expected levels of formality or emotional display, translate directly to behavioral expectations in negotiation. Similarly, attitudes to time, risk, and authority carry implications not only for the negotiation process, but also for the kinds of deal structures that have the best chance of sustainable success.

Other aspects need to be more developed in the context of the negotiation process. In doing this, I have tried to create a checklist that is valuable to work through for any cross-border dealing, though it is by no means exhaustive. The categories are inspired by and partly taken directly from the work of Jeswald Salacuse, whose useful book, *Making Global Deals*, goes into greater detail.^{xxvii} For simplicity, I have artificially collapsed continuous ranges into either-or categories. (e.g. the importance of a contract v. relationship, whether a deal should be constructed from the “top down” v. the “bottom up,” etc.) when the reality is more subtle. Some of the categories, when specifically applied to negotiation, draw on almost identical elements of the more general cultural observations of the previous sections.

Fundamental Negotiation Objective: contract or relationship? Directly dealt with above as part of the “great divide,” the real objective of negotiation can be seen in radically different terms across different cultures. In general, the greater and more prominent market institutions are, the more transactions among relative strangers are expected and seen as normal, and the lesser the “relational threshold” needs to be for many deals to be comfortable. It is not as if one or the other objective is exclusively seen as important; rather, in certain cultures, deals are seen as the implications of relationships while, in others, relationships grow from working in the context of an agreement. In general, U.S. negotiators tend to see the deal as the primary objective with a lower threshold for the relationship. Moreover, the precise written terms of the deal are of high importance. By contrast, the contract in China is only one step in a long, continuous relationship embedded in an important web of connections (“*guanxi*”); the specific terms of the deal matter, of course, but there is an expectation that they may well change with circumstances.

For convenience, Box 5 summarizes these twelve negotiation-specific behavioral categories. Each raises a central question about how the two sides will *relate* to one another or the process itself, regardless of the set of issues on the table. All topics should be reviewed as they apply to one’s counterpart *and* oneself. Rather than an exercise in isolating likely characteristics of the other side, the list is designed to help anticipate modes of interaction that, if left unexamined, could cause unnecessary confusion and misunderstanding.

Box 5

Underlying Expectations	
Negotiation Objective	Is the ultimate goal of negotiation a signed contract or a relationship between the two sides?

Fundamental View of Negotiation Process	Is negotiation a process through which both sides can gain, or through which one side gains and the other loses?
Ritual and Process Expectations	
Team Organization and Representation	What level, type, and number of team members are expected?
Ritual Aspects	Greetings, time, and socializing before substance of negotiation, expected deference, etc.
Sensitivity to Time	How important is it to minimize or extend the time spent negotiating? Do negotiators exhibit a high or low degree of impatience and urgency? Many or few interruptions?
Formality Level	How formally does a negotiator talk to others, use titles, dress, speak, and interact with other people?
Communication and persuasion	Do negotiators place emphasis on direct and simple methods of communication, or do they rely on indirect and complex methods? Is persuasion, for example, fact-based and technical in nature, driven by deductive logic, argued from precedent, or a function of the status of the would-be persuader?
Emotional Expression	Do negotiators show or hide their feelings; that is, do they exhibit a high or low degree of emotionalism?
Risk and Uncertainty Tolerance	Do participants have a high or low propensity to take risks and handle uncertainty during the negotiating process?
Building an Agreement	Does an agreement begin from general principles and proceed to specific items, or does it begin with agreement on specifics and build “up” to an overall deal?
Form of Agreement	Do negotiators prefer detailed contracts or agreement on general principles?
Implementing an Agreement	How likely and expected is literal implementation of agreement? Is a “deal a deal” or merely the starting point for further negotiation?

Of course, the reality is often more subtle and complex than these categories might suggest. Take, for example, the above topic: “Fundamental View of the Negotiation Process: cooperative (“win-win”) or competitive (“win-lose”)?” Many years ago, British diplomat Harold Nicolson distinguished between the negotiating orientation of some cultures, “shopkeepers,” aimed at finding mutual advantage, with that of “warriors,” which see negotiation simply as a quest for domination, “war by other means.” As a general tendency, U.S. negotiators seek mutual advantage in deals but tend toward to more competitive in approach than many non-U.S. counterparts. For negotiators from the People’s Republic, the stereotype is often seen as more cooperative in tandem with a relationship orientation, but the actual experience is often more complex. While Chinese negotiators are often more cooperative with “insiders” or those in the group or those who come to be seen as partners, they can be intense hardball players with perceived “outsiders.”

“‘It’s a formula,’ sighs Charlene Barshefsky, former United States Trade Representative. A troop of dark-suited Chinese files into the negotiating room... Then the door closes and they stare balefully at their counterparts and begin The Lecture. China is special, it goes: once we were the Middle Kingdom; now we’re the Big Kahuna of markets. If you want to do business here, you’ll do it on our terms. Otherwise—well, there’s always the Europeans and the Japanese.”^{xxviii} After years of living in China while participat-

ing in and gathering data on over thirty cases of negotiations with foreigners in China, French negotiation scholar Guy Olivier Faure documented the extent to which Chinese negotiators use “mobile warfare” against their foreign counterparts.^{xxix} Familiar techniques include physically isolating the foreign player in uncomfortable physical settings in faraway geographic regions, feigning indifference to a deal in a brinkmanship game of exacting concessions, dividing and conquering the Western team, using meticulous written records of the negotiation to exploit even minor inconsistencies displayed by the foreign group, randomly destabilizing the process, and so forth. Yet Faure cautions that “mobile warfare” is only one part of the negotiation process while a “joint quest for a common goal” for defining and solving the problem is another. This is ultimately more cooperative but based on Taoist principles.

So these categories can be useful starting points to relate more general, deeper cultural characteristics to the specifics of the negotiation process. But only starting points.

3. Caveats: avoid cross-cultural fallacies

Cross-border and cross-cultural negotiation entails a number of systematic differences that can be uncovered by the kinds of assessments described above. Such cross-border analysis is useful but prone to at least four hazardous fallacies.

1. The John Wayne v. Charlie Chan Fallacy: stereotyping national cultures:

Start with the obvious: All U.S. negotiators are not like John Wayne (the rugged, individualistic American actor) and all Chinese negotiators are not like Charlie Chan (the fictional Chinese detective hero of many films from the ‘20s and ‘30s). Or Michael Jordan and Confucius. Or Jesse Jackson and Mao Zedong. Or, you fill in the blanks: (*U.S. citizen*) v. (*Chinese citizen*). We know that negotiators in southeastern France may bear more resemblance to northern Italian negotiators than to Parisian compatriots. The culture of western Chinese Uighers is far more akin to neighbors in Pakistan than comrades in Beijing. And what is distinctively “Canadian” when its citizens vary from francophone Quebecois to traditional English Torontonians and to transplanted Hong Kong tycoons now living in Vancouver? In the face of this variation, we wisely caution ourselves against mindless stereotyping by nationality (as well as by gender, religion, race, profession, or age). Even so, it is very common to hear offhand remarks such as “all Chinese negotiators. . .” To combat this, a strong version of the anti-stereotyping prescription calls for ignoring nationality altogether in preparing for negotiation.

That advice is too strong. Nationality often *does* have a great deal to do with cultural characteristics, especially in relatively homogeneous countries like Japan. As discussed earlier in this paper, the careful work of many researchers confirms significant associations between nationality and a range of traits. It would be foolish to throw away potentially valuable information. But what does information such as that described above on behavioral expectations or deeper cultural characteristics really convey? Typically, cultural descriptions are about *central tendencies* of populations that also exhibit considerable “within-group” variation. Suppose that a trait like cooperativeness (versus “competitiveness”) is carefully measured by a psychological testing instrument for a large number of citizens from country X. For a fairly cooperative country X, the results of this testing would likely be a *distribution* with a few citizens rating very highly cooperative, a few rating highly uncooperative, and a majority clustered around a more middle range.

Suppose that this distribution was a normal or bell-shaped curve with the most likely value equal to the mean of the distribution (See Figure 1.)

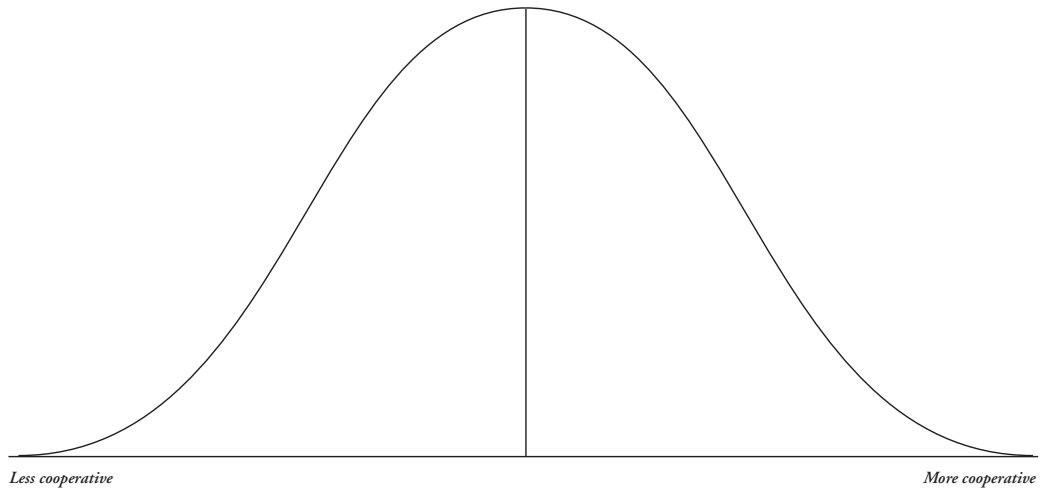


Figure 1

This is useful data, but easily misinterpreted. Social psychologists describe the “prototypicality error” or tendency to treat someone from a given population group as if they would exhibit the group’s most likely tendencies; that is, knowing that someone is from Country X, one naturally assumes that this person is about as cooperative as the mean or most likely point in that distribution. Yet a bit of statistical reasoning exposes some of the dangers of this commonsense approach. Take a *randomly chosen* citizen of country X whose distribution of cooperativeness is accurately portrayed in Figure 2 below. Question: how likely is it that this randomly chosen citizen displays a level of cooperativeness somewhere within the range of 20 percentile points above or below the mean, which is the most probable description? (See Figure 2.) Answer: there is only a 40% chance that this person exhibits cooperativeness 20 percentile points above or below the most likely value for country X. Equivalently, there is a 60% chance—more than even odds—that this person displays a level of cooperativeness *outside* this centrally representative, most likely, range.

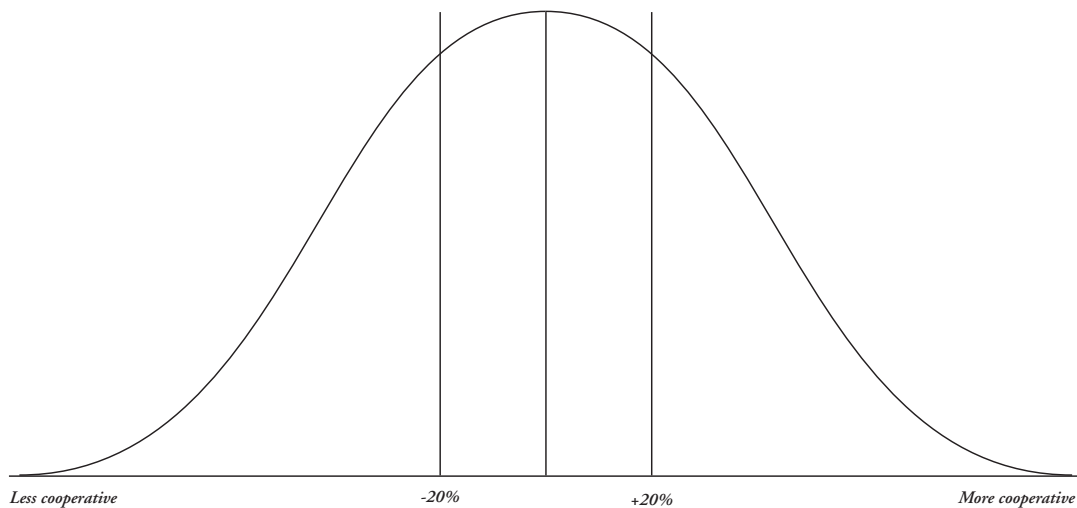
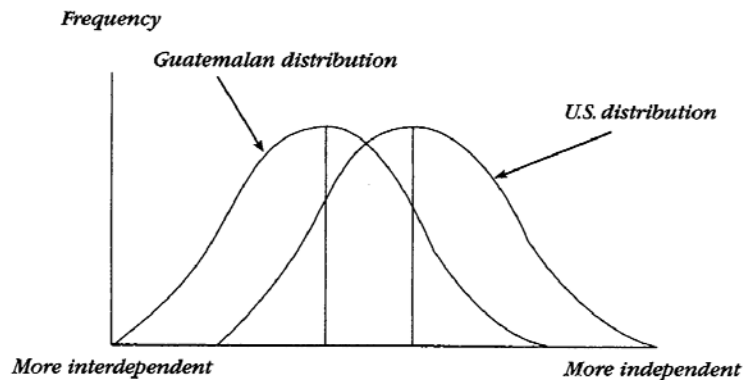


Figure 2

This means that even the most likely trait for a population described as in Figure 2 will not likely apply to a given individual from that group. *Remember, you negotiate with individuals, not averages.*

What does it actually mean for one culture to be, for example, more oriented to interdependence than another? Take for example the following bell curves, gleaned from Hofstede’s 1980 study, representing the independent vs. interdependent nature of Americans and Guatemalans. This chart reflects that the average American is more independent-minded than the average Guatemalan. Yet both cultures exhibit a range of orientations, and there is considerable overlap between them.

Figure 3: Hypothetical distributions of independent/interdependent value scores in an individualist and a collectivist national culture.^{xxx}



Even though the central tendencies of two different national groups for given traits may systematically differ, correct inferences about how given individuals from the two countries compare can be quite tricky.

Consider a second analytical thought experiment comparing individuals from two countries, which we’ll call COOP and COMPET. Say that on average, citizens from the country named COOP are twice as cooperative as those from COMPET. To make this more precise, suppose that we represent the two countries by a pair of dice, each with six sides. Say that a green side represents a cooperative personality while a red side represents a competitive one. Therefore, the die representing COOP has four green sides (and two red ones) while the COMPET die has four red sides (and two green ones). Thus to be from COOP is, on average, to be twice as cooperative than your COMPET counterpart. Question: if a randomly chosen citizen from each country were going to negotiate, what are the odds that the citizen from COOP is more cooperative than the one from COMPET? This is equivalent to saying that you roll the dice and ask what the odds are that the COOP die ends up green while the COMPET die ends up red. Despite the overall likelihoods, and the fact that there are *twice* as many competitors in COMPET than in COOP, the answer is “*less than half*” (4/9 to be precise).^{xxxii} The broader point? Inferences about individuals from central tendencies are often misleading or wrong. *You negotiate with individuals, not averages.*

But viewing the world without the aid of stereotypes is difficult. Forming stereotypes is a natural reflex that helps order the overflow of information that barrages us. Social psychologist Ellen Langer argues that a solution to the negative effects of stereotyping is “mindfulness,” which she defines as a willingness to create new categories, an openness to new information, and an awareness that more than one perspective exists.^{xxxiii} Rather than straining against forming stereotypes, a more realistic strategy is to allow stereotypes room to change, multiply and adapt to new information. In short, assess, don’t assume.

Pulling the elements of this caveat together, remember that “national traits” are *distributions* of characteristics across population, not blanket descriptions applicable to each individual. Be very cautious about making inferences about characteristics of specific individuals from different groups—even where the groups are sharply different on average. Avoid stereotyping and the “prototypicality” error of assuming an individual will exhibit the most likely group characteristic. Even if U.S. negotiators are on average more impatient, deal-focused, and individually oriented than their Chinese counterparts, be careful not to mentally create a stereotype on the other side; even a large number of U.S.-Chinese negotiations is most unlikely

to feature the equivalent of John Wayne pitted against Charlie Chan. Or Bill Gates against Fu Manchu. Or Michael Jordan against Confucius. Or Jesse Jackson against Mao Zedong.

b. The Rosetta Stone Fallacy: overattribution to national culture.

National culture clearly matters. But there is a tendency to see it as the Rosetta Stone, the indispensable key to describe, explain, and predict the behavior of the other side. Of course there are many possible “cultures” operating within a given individual. Beyond her French citizenship, an ABB executive may well be from Alsace, have a Danish parent, feel staunchly European, have studied electrical engineering, and have earned a Chicago MBA. National culture can be highly visible but, obviously, is only one of many possible influences. For example, Jeswald Salacuse surveyed executives from a dozen countries to determine national tendencies on ten important bargaining characteristics such as negotiating goal (contract v. relationship), orientation (win-win v. win-lose), formality level, communication style, risk-taking, etc.^{xxxiii} While his results showed significant national differences, he also analyzed the data according to profession and occupations of the respondents such as law, engineering, marketing, military, diplomacy, accounting, etc. These categories, too, showed systematic association with different bargaining styles. Finally, Salacuse could differentiate many of these style characteristics by gender as well. Other extensive studies extend and elaborate analogous findings: nationality matters to bargaining characteristics but so can gender, ethnicity, functional specialty.^{xxxiv} Figure 4 below reminds us that national culture is but one of many “cultures” that can influence bargaining behavior.

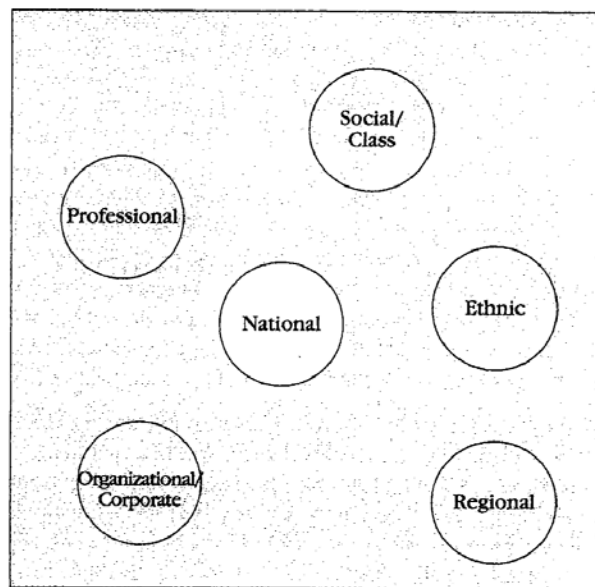


Figure 4

Just as there are many cultures influencing bargaining behavior, there are many other potential contributing factors such as personality, finance, business fit, politics, and strategy. Figure 5 below makes this point graphically. In a study of the performance of a number of companies that had been acquired by “foreign” entities, Rosabeth Moss Kanter and Ian Corn carefully sought to account for post-acquisition outcomes.^{xxxv} While business and technical factors were often determined to be the dominant factor, the first explanation advanced by managers of the target firms was “cultural.”

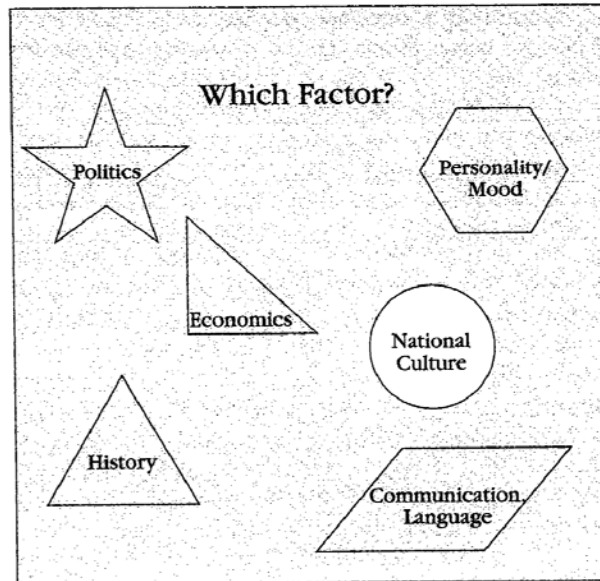


Figure 5

Attribution bias. Cultural differences, often evident in surface behavior, are easy to see; richer contextual factors often are not. In unfamiliar cross-border settings, factors like strategic incompatibility, politics, or even individual personality are less likely to be “blamed” for undesirable outcomes. The powerful but unconscious tendency to overattribute behavior to culture, all too often clouds negotiators’ vision of the full range of factors that can affect a negotiation.^{xxxvi} Psychologists have extensively documented this dynamic, a systematic tendency to focus on supposed characteristics of the person on the other side of the table, rather than on the economic or other powerful contextual factors.^{xxxvii} The antidotes? First, remember that “culture” doesn’t just mean nationality; instead there are many potentially influential “cultures” at work. Second, beyond “culture” are many other potentially contributing factors. Nationality can carry important information, but with many other cultures and many other factors at work, you should be careful of treating your counterpart’s passport as the Rosetta Stone. Assess, don’t (unconsciously) assume.

c. The VFR at Night Fallacy: falling prey to potent psychological biases in cross-cultural perception

Just as trying to pilot by “visual flight rules” (VFR) at night or in a storm is hazardous, the psychology of cross-cultural perception can be treacherous. Beware the witch’s brew of biases and psychological dynamics that can bubble up when one begins to label “other” groups, attribute characteristics to them, and act on these perceptions.

Self-serving perceptions of our own side. There is a powerful tendency, formally studied as “biased assimilation,” for people to self-servingly interpret information in negotiation on their own side.^{xxxviii} For example, experimenters give a number of people identical information about a pending court case but randomly assign them to the role of plaintiff or defendant. When each person is asked for his or her private assessment of the probability that the plaintiff will win, those assigned the role of plaintiff on average give much higher odds than those (randomly) assigned to the role of defendant (but, again, on the basis of *identical* information). People tend to “believe their own lines” or self-servingly interpret information. Similar results have been found for corporate valuation results—done on the basis of the same data—by randomly assigned buyers and sellers. And this tendency runs deep: researchers conducted an experiment at a boys camp in the late 1950s, sponsoring a jelly bean hunt among the campers. After the hunt, the boys were shown an identical picture of a jar of jelly beans. Each boy evaluated the total number of beans in the jar according to whether he was told the jar belonged to his own team or to the other side.^{xxxix} The same photograph was estimated to contain many more beans when it was presented as “your team’s” and far fewer when it was alleged to be the “other side’s.”

Partisan perceptions of the other side. If our capacity to accurately process information critical to our own side is flawed, it is even more the case for our assessments of the other side in a conflict or negotiation. In part, this stems from the in-group/out-group phenomenon.^{xi} Persons from different cultures, especially on the opposite side of the bargaining table, are more readily identified as belonging to an “out-group,” or as *Other*. Once that labeling is in place, powerful perceptual dynamics kick in (beyond the tendencies toward stereotyping and overattribution already discussed). Robert Robinson describes extensive research over the last 40 years, documenting an unconscious mechanism that enhances “one’s own side, portraying it as more talented, honest, and morally upright” while simultaneously vilifying the opposition.^{xii} This leads to a systematic exaggeration of the other side’s position and an overestimation of the extent of the actual conflict. This can and does cause negotiators to be unduly pessimistic about their ability to find common ground, and even be unwilling to pursue it.^{xiii}

Self-fulfilling prophecies. Such partisan perceptions hold the power to change reality by becoming self-fulfilling prophecies. The effects of labeling and stereotyping have been documented thoroughly to show that perceptions have the power to shape reality. Experiments testing the effects of teachers’ expectations of students; diagnoses on mental patients; and platoon leaders’ expectations of their trainees are only a few of many studies confirming that expectations prod behavior.^{xliii} At the negotiating table, the same principle holds true: clinging firmly to the idea that one’s counterpart is stubborn, for example, is likely to yield intransigence on both sides, precluding the possibility of a compromise that might have occurred had the label of “obstinacy” not been so rigorously affixed.^{xliii}

In short, just as a pilot trying to navigate by visual flight rules at night or in a storm is prone to dangerous misjudgments, the psychology of perception in cross-cultural situations is rife with biases. Not only do we stereotype and overattribute to nationality, we are also poor at interpreting information on our own situation, vulnerable to partisan perceptions of the other side, and likely to act in ways that become dangerously self-fulfilling.

d. St. Augustine’s Fallacy

Assume that you have undertaken a full analysis of the culture of the person you will meet on the other side of the bargaining table. St. Augustine gave the classic cross-cultural advice: when in Rome, do as the Romans do. While this admonition certainly has merit, it is not always good advice. Steven Weiss has extensively developed the point that there may be much better options.^{xlv} For example, learning that the Chinese are hesitant to take risks is only a first step. Clearly, a responsive strategy would not mimic this hesitancy, but effectively anticipate it.

Rather than learning to behave as the ‘Romans’ do, strategies should accommodate the degree of cross-table understanding each side has of the other. For example, consider the best approach for a U.S. manager on his first visit to Japan dealing with a Yale-educated Japanese executive who has worked extensively in Europe and North America. Here it would be sensible to let the Japanese adapt. If a negotiator is far more familiar with a counterpart’s culture than vice versa, the best strategy might be to embrace the counterpart’s negotiating script. If both sides are equally “literate,” an improvisational and mutually-accommodating approach might be most appropriate. A lower degree of familiarity dictates bringing in locally familiar expertise, perhaps on your side and perhaps even as a mediator.^{xlvi}

A great deal depends on how familiar you are with “Roman” culture and how familiar your “Roman” counterpart is with your culture. And of course you want to avoid the previous fallacies as well. The nationalities across the table from each other may be Chinese and U.S., but both players may be regulars on the international business circuit, which has its own, increasingly global negotiating culture. Again, assess—etiquette, deeper traits, negotiation-specific expectations, and caveats—don’t assume.

(A companion paper, “Assess, Don’t Assume, Part II,” addresses the implications for negotiation of systematic differences in decision-making, governance, and political economy.)

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- ⁱ I would like to acknowledge the contributions of Rebecca Hulse and Ron Fortgang as well as the useful suggestions of David Lax and Rob Robinson. Adapted excerpts of previous versions of this working paper have been published in Sebenius, James K. "The Hidden Challenge of Cross-Border Negotiations." *Harvard Business Review* 80, no. 3 (March 2002): 76-85, and Sebenius, James K. "Caveats for Cross-Border Negotiators." *Negotiation Journal* 18, no. 2 (April 2002): 121-133.
- ⁱⁱ For a sample distillation of prescriptive advice, see, e.g. David Lax and James K. Sebenius, *3-D Negotiation: Powerful Tools to Change the Game in Your Most Important Negotiations*. Boston: Harvard Business School Press, 2006.
- ⁱⁱⁱ Morrison, Terri; Wayne A. Conaway; and George A. Borden, Ph.D. *Kiss, Bow, or Shake Hands: How to do Business in Sixty Countries*. Holbrook, MA: Adams Media Corporation, 1994.
- ^{iv} *New York Times*, July 26, 1998, p. 13
- ^v Acuff, Frank. *How to Negotiate Anything with Anyone Anywhere in the World*. New York: American Management Association, 1993. Also see Axtell, Roger. *Gestures: The Do's and Taboo's of Body Language Around the World*. New York: John Wiley & Sons, 1998; and Leaptrott, Nan. *Rules of the Game: Global Business Protocol*. Cincinnati: Thomson Executive Press, 1996.
- ^{vi} Several excellent sources include Salacuse, Jeswald. *Making Global Deals: What Every Executive Should Know About Negotiating Abroad*. New York: Times Business, Random House, 1991; Rubin, Jeffrey Z. and Frank E. A. Sander. "Culture, Negotiation, and the Eye of the Beholder." *Negotiation Journal*. July 1991, pp. 249-254; Janosik, Robert J. "Rethinking the Culture-Negotiation Link." in Breslin, J. William and Rubin, Jeffrey Z., eds. *Negotiation Theory and Practice*. Cambridge: Program on Negotiation Books, 1991, pp. 235-246; Weiss, Stephen E. "Negotiating with the Romans, Parts I and II." *Sloan Management Review*. Winter, 1994. vol. 35, nos. 2 and 3, pp. 51-61 and 85-99, respectively; Graham, John and Yoshihiro Sano. *Smart Bargaining: Doing Business with the Japanese*. New York: Harper & Row, 1989; Hall, Edward T. and Mildred Reed Hall. *The Silent Language*. New York: Fawcett World Library, 1959; and Hofstede, Geert. *Cultures Consequences: International Differences in Work-Related Values*. Beverly Hills: Sage Publications, 1984; Faure, Guy Olivier and Jeffrey Z. Rubin, eds. *Culture and Negotiation: the Resolution of Water Disputes*. Newbury Park, CA: Sage Publications, Inc., 1993; and Weaver, Gary, ed. *Culture Communication and Conflict: Readings in Intercultural Relations*. Needham Heights, MA: Simon & Schuster, 1994.
- ^{vii} Sebenius, James K. "Introduction to Negotiation Analysis: Creating and Claiming Value." Harvard Business School Publishing, N2-898-084, 1997.
- ^{viii} Weiss, 1994.
- ^{ix} *New York Times*, July 26, 1998, p. 13
- ^x Foster, D.A. *Bargaining Across Borders: How to Negotiate Successfully Anywhere in the World*. New York: McGraw Hill, 1992, p. 281.
- ^{xi} See Acuff, 1993; Axtell, 1998; Leaptrott, 1996 and Morrison et al., 1994.
- ^{xii} This draws heavily on sources listed in my cases "Decorum in Guangzhou (A) and (B)," Cases 899-136 and 899-137, Harvard Business School Publishing, 1999. See also Ming-Jer Chen, *Inside Chinese Business: A Guide for Managers Worldwide*. Boston: Harvard Business School Press, 2001.
- ^{xiii} Mann, Jim. *Beijing Jeep: A Case Study of Western Business in China*. Boulder: Westview Press, 1989, p. 83.
- ^{xiv} See Hall, Edward T. *Beyond Culture*. Garden City, NY: Doubleday, 1976. See Weaver, Gary. "Contrasting and Comparing Cultures." in Weaver, ed., 1998.
- ^{xv} Weaver, Gary R. "Contrasting and Comparing Cultures." in Weaver, Gary R. ed. *Culture, Communication and Conflict: Readings in Intercultural Relations*. Needham Heights, MA: Simon & Schuster Publishing, 1998.
- ^{xvi} Cited in Jean-Claude Usunier, "Cultural Aspects of International Business Negotiations," Chapter Five of Pervez Ghauri and Jean-Claude Usunier, eds., *International Business Negotiations*, Oxford: Pergamon, 1996, p. 94.
- ^{xvii} This first part of this paragraph is paraphrased from Usunier, p. 94.
- ^{xviii} Hall, Edward T. "The Silent Language of Overseas Business." *Harvard Business Review*. v. 38, no. 3 (May-June, 1960), pp. 87-96. See also Hall's book of the same name: Hall, Edward T. *The Silent Language*. New York: Doubleday & Co., Inc., 1959.
- ^{xix} Hall, Edward T. and Mildred Reed Hall. *Hidden Differences: Doing Business with the Japanese*. New York: Anchor Books, 1987.

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- ^{xx} See also Hall, Edward T. and Mildred Reed Hall. *Understanding Cultural Differences*. Yarmouth, ME: Intercultural Press, 1990.
- ^{xxi} Richard R. Gesteland, *Cross-Cultural Business Behavior*. Copenhagen: Handelshøjskolens Forlag, 1996, pp. 17-41. A very practical guide, whose author coined the term “great divide” in this connection and from which much of the next few paragraphs is inspired.
- ^{xxii} Gesteland, p. 40-1.
- ^{xxiii} Subsequent to his 1980 study, Hofstede enlarged his study to include 50 national cultures and three ‘regions.’ See Hofstede, Geert. *Cultures and Organizations: Software of the Mind*. London: McGraw-Hill Book Company, 1991.
- ^{xxiv} Hofstede, Geert. *Cultures Consequences: International Differences in Work-Related Values*. London: Sage Publications, 1984. Critics of Hofstede’s 1980 study point to troubling methodological problems, the compilation of data from a single company, troubling masculine-feminine stereotypes, omissions of communist countries, etc. See Smith, Peter B. and Michael Harris Bond. *Social Psychology Across Cultures: Analysis and Perspectives*. New York: Harvester Wheatsheaf, 1993, pp. 38-46; and Fernandez, Denise R; Dawn S. Carlson; Lee P. Stepina; and Joel D. Nicholson. “Hofstede’s Country Classification 25 Years Later.” *Journal of Social Psychology*, 1997, vol. 37 no. 1, pp. 43-54.
- ^{xxv} Jean-Claude Usunier reviews the empirical studies linking Hofstede’s variables to negotiating outcomes, finding generally positive results in “A comment on the use of Hofstede’s cultural dimensions in the academic literature on international business negotiations,” in Pervez Ghauri and Jean-Claude Usunier, eds., *International Business Negotiations*, Oxford: Pergamon, 1996, pp. 127-9.
- ^{xxvi} A particularly nice book is by Fons Trompenaars and Charles Hampden-Turner, *Riding the Waves of Culture*, New York: McGraw-Hill, 1998. Hofstede himself has worked closely with others, jointly defining and measuring national scores on new categories such as “Confucian Dynamism” (a combination of persistence, thrift, a sense of shame and “face”, deference to authority and tradition, as well as reciprocity for gifts and favors). See Geert Hofstede and Jean-Claude Usunier, “Hofstede’s Dimensions of Culture and their Influence on International Business Negotiations,” Chapter Six of Pervez Ghauri and Usunier, eds., *International Business Negotiations*, Oxford: Pergamon, 1996, pp. 122-6.
- ^{xxvii} Salacuse, 1991.
- ^{xxviii} Michael Hirsh, “Tricks of Trade,” *Newsweek*, June 29, 1998, p. 40.
- ^{xxix} Guy Olivier Faure, “Negotiation: The Chinese Concept,” *Negotiation Journal*, April 1998, pp. 137-148.
- ^{xxx} Based on Smith and Bond (1993), p. 41.
- ^{xxxi} To see this, remember that there are 36 possible combinations of reds and greens when two dice are rolled. The cases in which a COOP is strictly more cooperative than a COMPET correspond to the dice rolls in which COOP comes up green while COMPET is red. There are four green sides to the COOP die and four red sides to a COMPET die implying 4x4 or 16 possible outcomes with a green COOP die and a red COMPET die. 16/36 or 4/9 is therefore the right answer.
- ^{xxxii} Langer, Ellen. *Mindfulness*. Reading MA: Addison-Wesley, 1989.
- ^{xxxiii} Jeswald Salacuse, “Ten Ways that Culture Affects Negotiation: Survey Results,” *Negotiation Journal*, Vol. 14, No. 3, July 1998, pp. 221-240.
- ^{xxxiv} See, e.g., Chapter 15 of Fons Trompenaars and Charles Hampden-Turner, *Riding the Waves of Culture*, New York: McGraw-Hill, 1998.
- ^{xxxv} Kanter, Rosabeth Moss, and Corn, Richard Ian. “Do Cultural Differences Make a Business Difference?: Contextual Factors Affecting Cross-Cultural Relationship Success.” *Journal of Management Development*, vol. 13 no. 2. 1994, pp. 5-23.
- ^{xxxvi} Gilbert, Daniel T. and Malone, Patrick S. “The Correspondence Bias.” *Psychological Bulletin*. vol. 117 no. 1, 1995, p. 30.
- ^{xxxvii} Discussed in Rubin, Jeffrey Z. and Frank E. A. Sander. “Culture, Negotiation, and the Eye of the Beholder.” *Negotiation Journal*. July 1991, pp. 249-254.
- ^{xxxviii} See Robert J. Robinson, “Errors in Social Judgement: Implications for Negotiation and Conflict Resolution. Part I: Biased Assimilation of Information,” Harvard Business School, 1997.
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- ^{xv} Weiss, Stephen E. "Negotiating with 'Romans'—Parts 1 and 2." *Sloan Management Review* (Winter, 1994) v. 35, n. 2.
- ^{xvi} Weiss, p. 56.