

## **MODULE III**

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### **UNIT 10**

#### **PRESENTATIONS AND NEGOTIATIONS** **Micro-review of the text with translation**

The first step of presentation is to find out who you're going to be presenting to. Now you need to do this on two levels. Firstly, how much does the audience know about the subjects? Are they experts or do they know very little? Secondly, are you presenting to a group from the same or from different countries and adjust your language so that everybody can understand.

So once you know who you're presenting to and where, you're ready to start preparing what exactly you're going to say. OK? So stage one is the opening - that all-important first few moments that can make or break the presentation. Then stage two, a brief introduction about the subject of your talk. Then three, the main body of the presentation. And four, the conclusion, which should include a summary of your talk and your final opinion or recommendations. Finally, the question and answer session.

Now the most important stage is the opening minute or so and I'd suggest that people memorize it exactly as if they were actors. Write down the opening with all the pauses and the stress clearly marked, and then record it, listen to it, and practise it again and again. This is so important because if it's properly done, you do not only get the audience's attention immediately, but you feel confident during what can be the most frightening part of the presentation.

**Decide how this information concerning advertising in different countries (taken from “Culture in Practice”) can be used in making presentations.**

### **1. German Advertising: Facts and More Facts.**

German ads are loaded with detailed information; products are described and analyzed. Often, even in the national media, ads tell precisely where the product can be bought and at what price. German products sell because the quality is good and the price is competitive, not because of an attractive image. Germans appear to be unbelievably low-context in almost everything having to do with advertising. Ads are examined and picked apart – not just by the government (which monitors advertising) but by readers as well. Furthermore, readers write companies to complain if they dislike an ad.

Given the limited hours stores are open, it is very difficult for customers to do much comparison shopping. They simply do not have the time; instead, they depend upon the advertiser to provide them with the detailed information on which to base comparisons and make choices.

Good advertising strategies in Germany take into account that Germans are both print-oriented and very literal-minded.

### **2. French Advertising: Eye-Catching Aesthetics.**

While the function of German advertising is to transmit information, the function of a French ad is to release responses – two entirely different functions.

French advertising is high-context. It is based on product name recognition. In many instances the buyer already knows the product. This is why you see simple, one-line ads like “Dubonnet” repeated over and over, or an ad for Remy Martin showing a half-filled brandy snifter. These ads are the essence of simplicity, yet they release the right response in the French.

French ads are designed to be visually attractive and eye-catching to get the attention of the buyer and are reinforced by repetition. This fits the French visual orientation to life and reflects their sensitivity to aesthetics, color, and design. The tone of the ad and the product are often congruent: perfume ads create an air of mystery and beauty appropriate for perfume.

### **3. American Advertising.**

The function of German advertising is to transmit information while French advertising works to release a positive emotional response. The function of American advertising is to hype the product.

Americans often exaggerate in both their written and their oral communication. This is particularly true in advertising, which is based on hyperbole, or “hype”. Although ads in the United States may contain information, it is seldom detailed and is usually a bolster for the claims of product superiority. Exaggerated claims that a product is the best, newest, most fashionable, or finest are effective in the U.S. but would be both offensive and illegal in West Germany and would win no awards in France.

Americans like idealized images. The women in them are usually young, healthy, and beautiful, and the men are young, strong, and handsome. Children are clean and smiling. Even ads directed toward older population groups show young-looking though gray-haired people.

U.S. markets are segmented not only by age, gender, and income but also by region and ethnicity. There are fast-growing ethnic groups who will exert a tremendous economic influence in the future, such as the American Hispanic population (there are now over 250,000 Spanish-owned businesses).

#### **Tasks:**

1. Find additional information concerning advertising in Arab and Oriental countries and compare it with the info about ads in Europe and the USA.
2. Think which of the Ukrainian products may be demanded in Germany, France or the USA. What makes them competitive?
3. Make presentation of any Ukrainian product for representatives of different peoples bearing in mind specific national attitude towards advertising products.

## NEGOTIATIONS

**Task 1. Translate the sentences into your mother tongue.**

1. May we remind you that the contract under negotiations should be signed in accordance with the laws of our country?
2. Do you think there might be anyone else who would find our conversation useful?
3. Well, we've covered all the points we planned to discuss today, if you don't mind, we continue our talks tomorrow.
4. Many of the large travel agency chains are able to negotiate even greater discounts.
5. After three days of tough negotiations the company reached arm agreement with the workers.
6. Negotiations broke down after two days.
7. All the points had been agreed upon by the end of the talks.
8. We have come to an agreement by means of negotiation.

**Task 2. Read and discuss.**

**Are Negotiations Anything Reserved for Diplomats?**

Negotiation isn't something reserved for diplomats and labour relations people. We all negotiate, and we all spend a great deal of time at it. We negotiate in our personal lives. We negotiate in business with the people we buy from, and the people we sell to. We negotiate with our own bosses. We negotiate with our own employees, time and time again.

Good negotiators are successful people. And good negotiators aren't born. They are trained in the strategies, techniques, tactics, tips and skills of effective negotiating. Why take NO for an answer? Successful people DON'T. They get what they want by negotiating.

Your agreements, understandings and relationships mean the difference between success and failure. Poor agreements with other individuals and companies are always breaking down.

They bring nagging (нытье), dissatisfaction (неудовлетворенность) and aggravation (раздражение) into your business and personal life. But good agreements help you to reach and exceed your own objectives; and they leave the other party gaining more satisfaction at the same time.

This is true whether you are:

- persuading others to work with and not against you;
- working on a problem with someone important to you;
- breaking or avoiding a serious deadlock (a difficulty offering no workable escape);
- managing and supervising those responsible for doing the work properly in your organisation, in other departments and on the outside;
- finalising and administrating simple or complex contracts;
- determining the price and terms at which you buy or sell.

There are different approaches to negotiating but the one presented here aims towards mutual advantage, long-term business relationship. This collaborative rather than a confrontational approach suggests a realistic and clear strategy of pursuing one's own interests while maintaining good human relations with negotiating partners whose interests conflict with yours.

The most important elements of negotiations are as follows: identity, message, offer, conflict, settlement.

### **Task 3. Translate into Ukrainian or Russian.**

#### **I**

1. purpose;
2. to identify oneself clearly;
3. relevant;
4. to keep the conversation moving;
5. to show interest in what the other side has to say;
6. to exchange opinions on;
7. to agree on the overall procedure so that both sides could have a clear idea of the agenda;

8. to create the climate of cooperation by seeking positive re-sponses to relatively small points;
9. to recap;
10. to check understanding by recapping on key points;
11. to use a lead in to questions and check assumptions;
12. to make a counter offer.

## **II.**

1. to put forward options;
2. evaluate giving brief reasons for and against;
3. to maintain an efficient climate by saying “yes” before you say “no” and to state the reason;
4. to make a bid (предложение цены, заявка) or a proposal clearly and firmly before accepting or rejecting a bid or a proposal;
5. to clarify your understanding of what the other side is proposing;
6. to make new offers in response to the other side’s offers;
7. to reduce the force of rejection using the phrase “I’m afraid”;
8. to summarize agreement reached and responsibilities assigned;
9. to identify areas for further action;
10. to fix the date for the next meeting;
11. offer may be revoked (отменить) or withdrawn;
12. offer specifies the manner in which it must be accepted.

## **The structure of negotiations**

The structure of negotiations has five stages. Each stage has its specific purpose which is achieved through appropriate strategies and tactics, i.e. ways and means getting a desired result.

The first stage is socializing. Relationship building can often set the climate for the whole negotiation. To be a success in relationship building you should identify yourself and other people clearly by name. To keep the conversation moving you should add

any other relevant details about your or their job or company. It goes without saying that you should show interest in what the other side has to say.

Participating in negotiations you should keep in mind information exchanging tactics. First of all you should agree on the overall objectives and procedure so that both sides could have a clear idea of the agenda.

Try to do your best to create the climate of cooperation by seeking positive responses to relatively small points. Express opening statements clearly and directly.

Check understanding by recapping on key points the other side has made. Maintain cooperation at the questioning stage: use a leadin to questions and check assumptions.

To clarify the proposal tactics the partner should put forward options; evaluate each one giving brief reasons for and against. It is important to maintain an efficient climate by saying “yes” before you say “no”.

The negotiators should clarify their understanding of what the other side is proposing and give a clear reaction to other side’s rea-sons and proposals.

To reduce the distance between what you want and what your partners want, the negotiators should make new offers in response to the other side’s offer.

Offers and their acceptance are linked to conditions. Using the introductory phrase such as “I’m afraid” you may reduce the force of rejection.

Closing the deal summarise agreement reached and responsibilities assigned, identify areas for further action and fix the date for the next meeting.

## **UNIT 11**

### **NEGOTIATING STYLES**

#### **Read and act as an interpreter.**

Individuals can have different negotiating styles and differ in the emphasis placed on particular stages of the negotiations. There are cultural differences too. A German, for example, buyer usually moves directly from the relationship building phrase to the bidding phrase without agreeing procedure or exchanging information. While this is a rather extreme example, German negotiators often move to the bidding phrase sooner than may be expected by the other side.

Ст. Скажіть, будь ласка, чи відмінності в національних культурах впливають на переговори?

Пр. Different national cultures place different emphases on the main selling features of a product or service. They stress personal service and benefits to the customer.

The advertisement designed for a German target audience talks about technical features and exemplifies these features by quoting relevant facts.

Ст. Що необхідно знати про партнера до початку переговорів?

Пр. Clearly, when preparing for an international negotiation, it is important when working out the focus of questions to establish customer needs. American or British buyers may expect lots of questions from the seller before any presentation of benefits is made.

A German buyer expects a clear and factual presentation of technical features supported by concrete examples but relatively few questions about needs.

Ст. Я чув, що часто культурні особливості впливають на успіх переговорів. Як можна цьому запобігти?

Пр. Different cultures place varying degrees of emphasis on the importance of relationships building. In many Middle Eastern countries no business can be done until a relationship of mutual trust and confidence has gradually been built up between the two parties.

By contrast, in Finland, small talk before a negotiation is generally kept to a minimum, and most of the relationship building will take place afterwards, in a restaurant or sauna.

In many cultures people find it easier to build a relationship with a potential business partner in a social setting. This is particularly true of many European cultures, such as Spain, France and Great Britain. But it's bad manners to discuss business at social occasion in India.

Ст. Я чула, що в Японії візитну картку дають при знайомстві, а в Німеччині лише наприкінці зустрічі. Не могли б Ви розказати про це?

Пр. The practice of immediately handing over a business card is most common among the Japanese. It has the advantage of helping you to remember unfamiliar names and to understand better the role and status of the members of the other negotiating team.

However, in other cultures, for example, Germany, it's more common to exchange business cards at the end of a meeting.

Ст. Скажіть, будь ласка, професор Блекмен, як ставляться в різних країнах до рукостискання?

Пр. The amount of touching acceptable in different cultures also shows great variation and depends on the gender of the participants. You have to shake hand when you are coming or going in Russia, Germany, being in Britain you usually only shake hands when you meet someone for the first time.

Latin American cultures permit more physical contact between men than, for example, European cultures. The distance at which two people stand from each other is also different. In Arab and Latin-Americans cultures, people generally stand closer together when talking than European or Americans do.

Ст. Я знаю, що існують певні правила, про що можна і про що не можна говорити під час переговорів, розкажіть про це, будь ласка.

Пр. It is certainly prudent to avoid controversial topics at this stage of the negotiation. However, the conventional "taboo" politics and religion may be acceptable if you concentrate on information-gathering type questions (who/what/how?) rather than questions which may imply comment or criticism.

Ст. Mr. Блекмен, поясніть, будь ласка, від чого залежить стиль переговорів тієї чи іншої сторони?

Пр. Negotiating style is determined by attention given to different stages of negotiating by different nations.

The Japanese treat the negotiating process as a ritual in which the principle of harmony is uppermost. This requires the careful and painstaking establishment of good personal relationships as the first step in the process.

The Japanese ask a lot of questions in order to detect points of weakness and they rarely make important decisions or concessions during the negotiations.

Direct pressure is rarely used, and they will not respond to pressure tactics. Because of the need for behind-the-scene consensus and harmony-building activities, negotiations with the Japanese take much longer.

Ст. Mr. Блекмен, розкажіть, будь ласка, про стиль поведінки американців на переговорах.

Пр. Americans tend to use a highly individualistic and informal style of negotiation in which straight speaking and pressure tactics are important. Negotiation is seen as a competitive process of offer and counter-offer, and decisions can be made quickly, often at the negotiation table itself.

Ст. Чи відрізняється стиль ведення ділових переговорів, які ведуть англійські бізнесмени, від стилю американських бізнесменів?

Пр. The British tend to emphasise the establishment of a sociable and sensitive relationship and to see the negotiating process itself in terms of problem-solving rather than hard bargaining and strong strategy. Oh, I think if there are no more questions, we can finish. It was pleasant for me to communicate today with you. I wish you good luck in your future profession.

## NEGOTIATING AND INTERNATIONAL BUSINESS

Most researchers differentiate five separate steps in the negotiating process: preparation, relationship building, information exchange, persuasion and, finally, agreement. In an international

negotiation, the steps are the same, but they are influenced by the nature of the culture with which you are negotiating. Therefore, the first step to a successful international negotiation is to understand the culture that you will be dealing with. Be especially aware of how that culture's style differs from your own and be prepared to deal with it.

### **American Negotiating Style**

Americans tend to question and challenge points presented at business meetings. We are quick to jump into a presentation or business discussion and stay with it long into dinner and afterward. We tend to be direct and to focus our efforts on completing the task at hand. We use a competitive and confrontational communication style. Americans usually operate under time pressure, which sometimes leads us to betray our impatience during protracted business meetings. In general, we approach a meeting with target deadlines for signatures and closure. We tend to assume that one individual, with the approval of upper management, can have full control of the decision-making process.

When Americans make an agreement, it is usually the value of the deal that makes it attractive to them. Americans are less concerned about from whom they buy their products and services, and more concerned with cost, features and value for the money. We tend to approach a product or sale from a marketing standpoint, trying to weigh the value and opportunities the products offer our customers. When buying product packages, Americans will keep trying to improve the deal with features or enhancements before making their final offer. Americans believe in contracts and adhere to their terms.

### **European Negotiating Style**

Researchers who have studied negotiating: European style European negotiating styles note significant differences between

Americans and Europeans, and even among the Europeans themselves. They suggest that the British use a “soft sell” (less direct) compared to Americans, while the Germans use a “hard sell” (more direct). The French are confrontational and welcome competitive debate; the Italians must develop interpersonal comfort before negotiating. The styles of what many business people consider the “big four” European cultures (France, Germany, Britain, Italy) are described in more detail below.

### **French Negotiations**

The French have been described as less team-oriented than the other “big four” European cultures, so negotiating at the individual level may be preferred. However, if there is a French negotiating team, there will most likely be a leader. Most people who deal with the French tend to agree that they are more argumentative than Americans in every aspect of business, including the negotiation, so be prepared. Although Americans will participate in debate if it is rational and necessary to clear up differing opinions, they prefer to strive for cooperation. The French, however, view debate as a stimulating part of a negotiation.

The French will be well prepared to negotiate, and you should be as well. It is expected that parties at the negotiation session have the power to make decisions. Effective negotiation strategies include logical proposals, logical arguments and logical counterproposals. A negotiation may be dealt with on an intellectual level and in more abstract terms than Americans are accustomed to. The French may discuss philosophy and seek proof that all points have been taken into consideration. As a result, Americans, who like discussions to be cut and dried, may feel that the French are talking in circles and not getting to the point. The French tend to be more risk-averse than Americans, so more time will be spent on assessing the pros and cons of each outcome.

Americans will tend to work more quickly than the French and desire closure quickly, while the French will be more patient. Important negotiations will be treated as formal meetings in France.

This may mean more elaborate openings than Americans typically are accustomed to, however creative ideas that are well-presented and well-researched are still positively received. Preliminary steps of a negotiation may include some intellectual debate and discussion to get a feel for your capabilities, although Americans may view these techniques as argumentative and unproductive. Expect conflict and challenge during the negotiation, and expect to defend your proposals. The French tend to be stubborn, and they may push points to an extreme. Details are important, but tend to be dealt with at the end of the negotiation.

### **German Negotiations**

Germans are viewed as prepared, serious, and well-organized about negotiations and are seen as the toughest of the Europeans in their negotiating stances, and the least influenced by interpersonal issues. Germans try not to allow relationships to interfere with the job. For this reason, in the preliminary stages of negotiations, German managers may appear to be cold and impassive. They will be very well-prepared and will focus on the technical aspects of the discussion, expecting fully-detailed data responses. Because of this, sessions might become quite long.

Negotiations with Germans will be formal and will follow an agenda. Germans will select negotiators who are knowledgeable on the subject under discussion and will frequently include technical staff. They will expect proposals that are technical in nature, with details spelled out. They will expect you to have researched their products and their markets thoroughly.

Germans are not known as risk-takers and so will be more cautious and slower than Americans in business sessions. Despite this, decisions do tend to be made in the meetings. They want to invest in sound projects that have a good chance to show a profit. In addition to high quality, they will expect solid warranties and excellent delivery dates. Conflict during negotiation is viewed as inadequate preparation, which leads to confusion. Emotional outbursts and frequent interruptions are not appreciated. The Germans prefer

discussions to be direct, detailed, and precise. They will tell you exactly what they want and will have planned counter arguments and back-up arguments. However the Germans will, more than other European cultures, look for common ground on which to make progress.

Decision-making with the Germans will take more time than Americans are used to, since they will want to analyze all the details of the presentations and discussions. It is a good idea to have copies of all materials, brochures, technical data, etc., as well as the minutes of the meetings, available for review. Top management must approve decisions, but once approved the Germans will tend to stick to the final agreement and not reopen the closed deal for re-negotiation later.

### **British Negotiating**

Most Americans feel quite comfortable negotiating with the British, probably due to the language and cultural similarities between their countries. When it comes to business negotiations, the British are also similar to Americans in that they share concerns for bottom-line profits and short-term results. However, their negotiating styles are different: The British are open about their opinions, but they will present them in a less direct manner, emphasizing courtesy, formality, and tact. The British will be less likely than Americans to show their true emotions, so it can be difficult to read their responses. Everything is very reserved and understated in Great Britain; people there try to conduct business in a proper manner without offense or imposition, and will use humor to ease any tensions that may arise in a business discussion. Americans will tend to focus on getting the job done quickly, and tend to be much more blunt and straightforward, putting everything on the table at once. The British are risk-averse and will therefore be more cautious in negotiations, favoring security and status quo.

Decisions are also made differently in the two cultures. Americans tend to use concrete data, while the British will use concrete experiences. The British will avoid engaging in debates or

bargaining in negotiating sessions. A clear and reasonable approach to negotiations with the British is usually the best approach. Because the negotiation process is very delicate, Americans are cautioned against playing all their cards at once. It is better to hold something back, playing one card at a time to keep the negotiation in balance.

### **Italian Negotiations**

Interpersonal relationships are very important in Italy. Italian executives need to feel that they can get along with you in order to do business with you. At the same time, it is important to note that Italian businesspeople are confident, shrewd, and competent negotiators. Initial negotiations with Italians can include a lot of casual talk and positioning tactics. These initial getting-to-know-you tactics will last until they feel comfortable; then the negotiation process will start.

It is important for the American executive to realize that negotiators are quite different in Italy than in other countries of Europe, although the specific manner in which the negotiation is conducted depends on the person's individual style. Italian executives make take a long time to get to the point, interrupting each other and maintaining multiple conversations at once. In a formal negotiation, the lead negotiator may spend a great deal of time building an emotional appeal with some theatrics thrown in. For the most part, you will need to sit through the soliloquy until it is done, and this may take some time. As far as the Italians are concerned, they are giving you the benefit of a complete understanding of their position, both the tactical and the emotional. If you are planning to give a presentation during a negotiation, make sure it is organized, clear, and to the point, but with polish and dramatic appeal to your audience. Concluding a negotiation with Italian managers can go quite quickly. However, be aware that identifying the decision-maker is not always easy. Many times those whom you might believe are there to close the deal are merely there to watch the meeting or offer more variables.

### **Asian Negotiating Style**

Asians use the business meeting for information gathering, for presenting ideas, and for developing consensus. Much of the material they want to cover at the meeting can therefore seem obvious or even intrusive to the American business executive. While the American concept of privacy is growing in Asia, it still does not meet Americans' expectations. For example, you may be asked very personal questions, such as your age or your salary.

Business privacy is of even more concern. Most Asian firms know everything about their competitors' activities within the region. Accordingly, they may ask you questions about competitors that you do not wish to answer. Try to deal with these issues tactfully without causing a loss of face. These questions are actually efforts by your Asian associates to get to know you and their competition better. It is important for Asians to trust the people they work with first, before the quality and reliability of the products are taken into consideration. However, they may also want to understand your competition, so you must be tactful in how much information you share.

The Chinese can be unexpectedly blunt and direct in their dealings with Americans, while the Koreans can be very emotional. The Koreans have the strongest, most visible pride of the four "Asian tiger" countries (Hong Kong, Singapore, South Korea and Taiwan), and a discussion with Koreans can take a turn for the worse if they feel you have issued them a challenge. The Chinese tend to be more forthright, so their business dealings may appear more aggressive than those of the Koreans.

In general, Asian cultures do not resolve issues or make decisions at the negotiating table. This is done in between or after meetings. It is customary for them to informally and unofficially drop hints and make inquiries outside of the meeting rooms during breaks and in the evening. When things are not going well, they may deliberately delay proceedings through a variety of tactics rather than admit that something is not working out, and may even report that things are going well when they are not. You must therefore exercise caution before accepting anything at face value.

Asians do not look upon a contract as the end of the negotiations. To them it is just the beginning of a relationship that will change continuously as it is reevaluated and renegotiated. Frequently, it is after the agreement is signed that problems arise. In their desire to ensure harmony, Asians may give answers they believe Americans want to hear, rather than true answers. This can prevent you from obtaining a realistic picture of what is going on and lead you to assume that the deal has come to closure. Complications arise when you proceed as if the deal has been closed and the Asians continue to explore more areas for compromise. A savvy businessperson will therefore continue to assess whether every aspect of the business discussion has been accepted to ensure that both sides are comfortable with each point of the agreement before moving on to the next.

Americans and Chinese usually send only one or two people to business meetings to be responsible for the negotiations and decisions. Americans expect that this limited staff can cover all the issues, and often these participants are prepared to present terms and conditions to close a deal with their Asian counterparts. The Koreans and the Japanese generally bring a team of people who are adept in their field of expertise so that all the information is directly at hand. It is very difficult for these cultures to understand how one person could be knowledgeable enough to represent all the corporate disciplines and answer all the possible questions that could arise. Americans likewise may wonder how Asians can afford to send so many staff members and allow them to be away for so much time. If you cannot bring your team along, offer to carry back questions you can't answer or locate the needed information by faxing, e-mailing, or phoning the head office.

### **Modifying Your Style for Negotiations with Asians**

When you are negotiating with Asian counterparts, you will likely need to adjust your style to be more compatible with the culture in which you are working. For most Americans, this means toning things down. For example, Asian companies are often hierar-

chical, but every level has input in the final decision. In contrast, Americans tend to focus on the key decision-maker, such as the president, to ultimately endorse our products or presentations. Americans have less regard for hierarchy than our Asian counterparts, so will often try to jump rank to quickly talk to a high-ranking decision maker. However, using this American style in Asia is not advisable. Instead, you should operate within the Asian system and gradually elevate your ideas from lower to upper management.

Americans tend to talk more than listen. We use business meetings to brainstorm, throwing out ideas and examining them on the spot. Asians, on the other hand, use business meetings to share information on issues that have already been resolved. Working with Asia can accordingly be frustrating if you work on short deadlines – or rewarding if you have patience and endurance. Try to have the patience to listen to your Asian counterparts and watch their body language as they speak. Often a yes is used simply to acknowledge your statement. Americans often misinterpret this as solid agreement and become confused later when they find they have not closed the deal.

Work with your Asian counterparts, not against them. Focus your negotiations on how both of you can benefit. And finally, know both your products and theirs. Knowing your product line and understanding how it can fit into their strategy will help strengthen your position. View the negotiations as a key to establishing and retaining a long-term relationship. Take care to work out any points of disagreement that may arise during your discussions.

### **Tips on Negotiating in Asia**

- Prepare an agenda. Find out who will be attending, and match them rank for rank. Assign someone at the meeting to take notes. Review the notes at the end of the meeting to make sure both sides are in agreement. Make copies of the notes so that the appropriate parties can follow up on any items that have not been resolved or which need more discussion. This allows you to address any concerns or miscommunications immediately.

- Use the first meeting to build your relationship and establish a working rapport. It is best not to launch directly into your business proposal.
- Make sure that you are well-prepared before entering into negotiations. Asians in general will be prepared to cover many aspects of the business with you. Have a clear understanding of what you want, your must-haves, give-aways, and your fallback position.
- Remember that “saving face” is an important concept in Asia. Instead of saying “no” to your request, your Asian business contacts may say “yes”, even if they don’t mean it, to avoid upsetting you.
- The best approach is not to ask yes-no questions, but rather open-ended questions that will initiate some dialogue between you.
- Observe your Asian contacts closely, since you may be able to spot nonverbal clues that indicate they do not agree with a point. A “yes” response or a smile may mean merely “I hear and understand you”. Draw out the discussion further to find out what their position is.

## **BUSINESS NEGOTIATIONS WITH THE KOREANS: A CROSS-CULTURAL PERSPECTIVE**

### **Background**

In recent years, China and Japan have been the focus of most research on joint ventures. Little has been done on South Korea even though its economic miracle rivals Japan’s. From the ravages of a war-torn economy of the 1950’s, it is now the seventeenth largest economy in the world. According to the Economist (1989), “In economic terms, the question is not if South Korea will leave behind developing country status and join the OECD, but when: 1992 looks the likely answer”.

## **Analysis of Korean-Foreign Ventures**

### **A. Equity Share**

As is also the case in Japan and China the percentage of equity share or ownership is the most sensitive and contentious issue to be negotiated between a Korean partner and a foreign entity. The Korean partner typically desires a majority equity position in part because of Korea's previous domination by foreign powers. From the Western perspective the degree of operational dependence on the Korean partner in building networks, establishing relationships with consumers and suppliers, and government liaison gives the Korean partner a critical role in the venture. Western companies usually want a 51% equity ownership for accounting reasons, so that they can consolidate their profit/loss statements. Additionally, Western companies want to have an adequate control in managing the joint venture. As one Western executive concluded, "We would not have been able to push through a lot of the things if we did not have that 51%. I have heard and discussed with other people here who have not got that percent – they (the Korean partner) will listen and just go their way. Status is so important in this community that the status of 51% just gives us that extra clout".

### **B. Management Control**

This was reflected primarily in two areas:

1) Representation on the Board of Directors:

This is usually commensurate with the percentage of equity ownership. However, in instances where there is 51/49% split, there is usually equal representation on the board. As in the case of both Japan and China, even if the Western partner has 51% equity ownership, most decisions are made through discussion rather than through votes.

2) Staffing of senior management positions in the venture:

The Western partner usually wishes to staff certain key positions with Western expatriates (including ethnic Koreans who have taken up Western citizenship or who have worked with the Western

company in the U.S. for a period of time) for two reasons. One reason is the U.S. company's concern about control over usage in the case of technology transfer. The second reason is the U.S. company's concern that the Korean partner will combine the joint venture's activities with that of the business group in terms of financing and personnel.

The Koreans on the other hand feel they should have control over management for two reasons: national issues and their belief that the Korean business environment is unique, therefore they possess better knowledge and understanding of how to run and manage an operation in their own country.

## **CHARACTERISTICS OF KOREAN DECISION-MAKING AND NEGOTIATION STYLE**

### **Speed of Decision-Making**

Compared with their Japanese and Chinese counterparts, Koreans generally make decisions more quickly because most Korean companies are still run by the owner/founder of the company, and hence decision-making tends to be more centralized. Despite this relative speed of decision-making, relationships are still pivotal to all aspects of societal functioning.

### **Personal Considerations vs. Western Logic**

Virtually all Western partners who were interviewed perceived that Koreans were illogical in the decision-making process. The Westerns felt that the Koreans tended to focus on trivial or emotional matters rather than on issues that were the subject of negotiation. The Korean partners on the other hand felt that Western logic or reasoning may not be the only way of trying to persuade or convince your partners to pursue a certain course of action. According to S.H. Jang (a consultant in Korea), it is important to understand KIBUN, which translates as "The personal feeling, attitude, mood, the mental state which is an extremely important factor in ego fulfillment".

### **Profit Motive**

Profit may not be the most important objective or motivator for the Korean partner. Similar to the Japanese, the Korean partner may be more concerned with market share and growth. This has two implications for the foreign investor. First, it takes time to build up market share and growth so he must be prepared to operate in the red for a period of time.

Second, money in the Korean context may not be the most important device in motivating employees. Other factors involved in ego fulfillment such as status, position title, office size, company car, chauffeur, corporate credit card, can become important motivating devices.

## **KEYS TO SUCCESS IN NEGOTIATING WITH THE KOREANS**

### **Complementarity of Product/Service**

One of the prime motives for a Korean partner to enter a joint venture relationship with a foreign investor is to gain access to advanced technology. One implication of this is that once the foreign partner can no longer provide the desired service or technology, then the original objective that brought both the Korean and foreign partners together will dissipate. For this reason, many of the Western partners felt that they had to constantly maintain a technological lead on their Korean counterparts.

### **Patience**

Although Koreans, as compared with their Chinese and Japanese counterparts, tend to make decisions more quickly, personal relationships are still fundamental to success in Korea. Patience is required to build and nurture these relationships. Patience is also required because industry is still in a state of transition in Korea.

### **Respect for Cultural Differences**

In dealing with Chinese and Japanese counterparts, knowledge of cultural differences will not guarantee success, but a lack of

cultural awareness could be a principal factor for failure. All the Western partners agreed with this finding. But Korean partners went one step further. They said that knowledge of the Korean culture and language is imperative to success.

Many of the Western executives who had experience as managers in other parts of East Asia cited the difference in attitudes and value systems as factors contributing to the difficulty of operating in Korea.

An example of marked cultural differences between Westerners and Koreans lies in the attitude toward law and the sanctity of the contract. In the Western context a contract sets out duties and responsibilities for each side and is supposedly sacrosanct. In the Korean context, which is similar to that of Japan and China, the contract is considered an organic document which can change as conditions evolve. Another example of cultural differences lies in the use of expensive gifts and lavish entertainment as part of business practice in South Korea. While this is generally interpreted as bribery in Western context, it is quite commonplace in the Korean context.

### **Need to Establish and Nurture Relationships**

As is the case with both Japan and China, it is important to build and maintain personal relationships, otherwise the venture is doomed to failure. Relationships in Korea are formed on the basis of a) blood which includes members of one's immediate or extended family; b) school ties; and c) geography, such as coming from the same clan or village.

There are several reasons why it is important to build a relationship. First, many of the Korean partners indicated that they were willing to pay a price that is ten to fifteen percent higher if they know or have developed a good relationship with that particular company. According to one Korean executive, "We have a saying in Korea that we get a contract not because we are qualified, but because we know somebody". Second, it is important to maintain good contacts with appropriate government ministries. Even with liberalization the Korean government still exercises heavy influence over all aspects of society.

### **Recruitment and Staff**

Foreign joint ventures are at a disadvantage when recruiting staff in South Korea. Given the complexities of operating in the Korean environment, many Western companies feel that they have to hire local nationals to manage the company's daily affairs. However, unlike the 1950's and 1960's when Koreans preferred to work for foreign companies because of higher salaries, the Westerners are now at a disadvantage in terms of recruiting competent local nationals. There are two reasons for this: first, relationships formed through former school ties play an integral part in staffing. If a foreign investor is unable to hire someone from Seoul National University, for example, then he will not have those desired ties with people in the government, etc. The second reason is that, in Korea (as in Japan) there is social stigma attached to employment in a foreign company. It is perceived that the foreign company will not have a long-term commitment to the enterprise in Korea.

There is one major difference between Korean and Japanese employees. In the case of the Japanese employee, he feels that he owes his loyalty to the company, while in the case of the Korean, he feels that he owes his loyalty to the person for whom he works. Hence attributes of the Korean employee's boss such as special skills, technical expertise, leadership, intelligence, etc. play an important role in recruitment.

### **Long-Term Commitment**

Market share and growth are important objectives from the Korean partner's viewpoint. This is possible because as stated earlier, many Korean companies are operated and owned by their founders. Therefore, it's easier for them to take a longer-term perspective. Difficulty arises because of the difference between the typical Western attitude towards a short-term orientation and the Korean preference for a long-term commitment.

The attraction for the foreign investor of forming these kinds of joint ventures with Korean partners lies in the growing economy and market size of South Korea. While having the right product or service is important to a joint venture, that alone is inadequate to guarantee success. Differences in value systems play a significant

role in influencing people's perceptions on what is an important issue, decision-making and negotiation procedure. Although joint ventures between Korean entities and Western partners seemed fraught with frustration and difficulties, practical results may be achieved if a foreign partner is willing to invest time and energy in building and nurturing social relationships, and in understanding the Korean context.

### **Latin American Negotiating Style**

Latin Americans generally prefer to conduct business negotiations face to face. The personal aspects of business – developing and maintaining relationships -- are very important here, and the hard, direct approach frequently associated with the U.S. negotiating style does not work well in any country in Latin America.

Most Latin American business people prefer to work with people they consider friends, rather than people with whom they have not established rapport – even if the strangers have a good deal to offer. In this scenario, the person who is viewed as most trustworthy, or even just better known, will get the business.

Negotiating in Latin American countries generally takes longer than in the U.S. and will include many more dialogues and interactions. It is important to position yourself as a trustworthy, sincere businessperson. Sensitive situations such as disagreements should be dealt with delicately as Latin Americans are less direct than Americans and they would not put you nor expect you to put them in an embarrassing situation.

### **Argentinean Negotiations**

Argentineans prefer to conduct business face-to-face rather than by telephone. When you assemble the negotiating team, make sure your team includes someone with a good working knowledge and understanding of Argentina, the Spanish language, and local customs, as well as of their own business and the specific project.

The decision-making process in Argentina is centralized and top management will most likely need to provide final approval. Understand who is at the table, how much authority they have, and when and who needs to approve the agreements. Argentineans tend

not to bargain, but prefer a win-win approach that provides mutually acceptable terms for both sides. This culture will value a relationship as part of the business agreement. In general the negotiations will be held in a meeting room. Subordinates will arrive early and higher status executives will arrive later, usually with a personal secretary and an interpreter; knowing this can help you identify the key negotiators. Negotiations are started with welcome remarks from both sides initiated by the host.

Other points to keep in mind in these negotiations:

- Argentineans tend to present a united front at the table and defer to a key negotiator.
- Often the main spokesperson is the only person who speaks during the meeting; the rest of the team remains silent.
- Argentineans emphasize persuasiveness and use friendship to secure concessions. You should respond to this by separating the personality from the issue.
- Temper may be used as a tactic to secure concessions. Be patient and calmly get the negotiations back on track.
- Argentineans will use contracts and have lawyers and accountants review them in depth.

### **Brazilian Negotiations**

Brazilians view a negotiation as a relationship and a long-term agreement; therefore you need to spend time building rapport with your colleagues. The negotiation process will take longer in Brazil than the U.S., although it will be somewhat faster in the major city of Sao Paulo. When you select your negotiation team, keep in mind that the Brazilians will send a person who is well-educated, informed on the issues, and well-versed on American protocol.

Keep in mind:

- Many Brazilian firms are privately owned, therefore it is important to understand with whom you are conducting business and who will be making the decisions.
- Brazil is a hierarchical society, therefore it is important to understand how decisions are made. Decisions may be made at the top and these participants may not be present at your meeting. Therefore don't push for a result but rather under-

stand what the other side needs and who needs to participate in the decision.

- Compared to other Latin American countries, Brazilians are more individualistic and have less concern for team consensus. You may be faced with one person trying to “outdo” the other.
- Brazil is a risk-averse culture so many times you will be faced with an attitude of playing it safe rather than taking risks to accomplish the goal. Also, power and prestige may come into play.
- Agreements will be confirmed with a handshake and a formal agreement.
- If this is your first time working with Brazilians, you may want to use an agent who is adept at Brazilian business, contracts, and culture.

### **Mexican Negotiations**

Mexico is a relationship-oriented culture in which family is a primary concern. Take the time to discuss and develop relationships with your Mexican counterparts. They may want to discuss their family and inquire about yours. They will expect a fair amount of socialization in a relaxed manner before proceeding into business, so plan some socialization time into your schedule. In addition, plan to spend more time at meetings than you are accustomed to in the U.S., although this will differ among locations in Mexico. Some American business people suggest that scheduling two meetings per day is the maximum recommended in Mexico. Mexican laws and culture are different than in the U.S. If it is your first visit it is worth hiring a professional advisor to help you through the business process. Choose your advisor carefully and get strong referrals on their work. Your advisor should be well-versed in Mexican accounting, legal practices, and customs.

When negotiating with Mexicans, also consider:

- Mexicans do not rush into business, so you need to slow your pace and not put all your cards on the table right away.
- Mexico is an insular community; therefore developing and keeping relationships are important. If you offend someone it

may carry over into business with others who appear not to be related.

- If the business situation does not work, exit humbly and quietly so that you don't hamper future negotiations or other business networks.
- Don't bargain during negotiations. The negotiations are much stronger if you work on winning solutions for both sides.
- Be prepared to discuss items not on the agenda. While an agenda is important in a negotiation, Mexicans may deviate from the topics. Be flexible and when appropriate gently ease back to your key items.
- Mexican negotiators have been reported to posture during a negotiation session. Keep this in mind and don't react negatively to the behavior, but rather try to be sensitive to what is being expressed.

#### **Instructions to be read, translated and remembered**

Запам'ятайте, що мета переговорів полягає в тому, щоб досягти взаємного порозуміння. Ваша мета має бути реалістичною, а чітка стратегія поступок має бути спрямована на досягнення певної вашої мети.

Ретельно продумайте процедуру переговорів на свою користь, але продумайте також, на які поступки ви можете погодитися.

Зверніть увагу на вивчення культурних особливостей країни, яку представляють ваші партнери. Спробуйте зрозуміти, на що звертають увагу ваші партнери при знайомстві, який рівень формальності може бути допустимим, які характерні прийоми використовують ваші партнери в процесі торгів і як довго мо-жуть продовжуватися переговори.

Добре відпрацьовуйте англійські ключові фрази, які ви вживатимете при веденні переговорів. Це допоможе вам правильно формулювати думку, чітко висловлюватися, чого ви хочете від партнера, ефективно торгуватись і використовувати ефективні

прийоми натиску на партнера, домовлятися і успішно дійти до порозуміння.

Чітко розподіліть обов'язки членів вашої команди, яка буде брати участь у переговорах, і координуйте їхні дії, якщо ви є лідером команди. Слід провести рольову гру ваших переговорів з тим, щоб чітко відпрацювати проблеми або труднощі, з якими ви можете зустрітися під час переговорів.

#### **Discuss in groups of three or four:**

1. Some cultures tend to be collectivist and others individualist. In a collectivist culture this means that group harmony generally takes precedence over individual performance and needs.

Examples of collectivist cultures are Japan, Indonesia, Portugal, etc. Examples of individualist countries are the United States, Italy, etc.

2. The distribution of power within the companies will also vary from culture to culture. In cultures with a low power distance, for example, Sweden and the United States, there is relatively little emphasis on status.

In cultures with a high power distance, such as Mexico and Indonesia, position and status play a more important role in working relationships. It must be remembered, of course, that within any culture there will be variations in power distance from company to company.

3. Americans usually mean “Yes” when they nod their heads. An English person probably just means “I understand”, and an Asian is just showing interest. “Come any time” means “I want you to visit me” in India.

If you don't suggest a time and arrange a visit immediately, an Indian will think you are refusing the invitation. But if an English person says “Come any time”, they will think you are bad-mannered if you start fixing a date.

**Read and translate by paragraphs the text dealing with general rules of conducting negotiations**

The main problem for foreigners is the language – language signaling intentions of negotiators. In any negotiations there are four key points:

1. You must listen carefully to what your opponent says. The important thing is to find out what is in his mind, *to read between the lines*.
2. Everything is always CONDITIONAL: no agreement should be reached until you are satisfied with the conditions on offer (say nothing *definitely* until signed).
3. Remember your opponent is listening attentively to everything you say. Think carefully about the effect of your words before you speak.
4. Whenever you are quoted price, you should always *ask* one of two questions: *what does the price include or how do you arrive at that price*.

As all negotiations are conditional it's wise to make sure that your language reflects this fact. The construction “if... then” is the simplest and safest way of ensuring that the conditional nature of the agreement is maintained; “if ... then” construction serves to link your offer with something that you want in return. If you bought 3,000 units then I would think about a discount.

Everything in negotiations is centred round the price. Prices are non-negotiable, negotiations are about all other aspects of the deal: delivery, shipping, maintenance, insurance, packaging, prompt -payment discount (usually 5%). The longer the bill is unpaid the bigger is the extra charge.

At times you hear or may find it more appropriate to use a “mixed conditional” – the structure that is grammatically incorrect, but which helps in making your opponent’s position firm, while keeping your position more flexible:

If you buy 3.000 units (not bought), then I would think about the discount (Если Вы купите … я бы подумал о скидке...)

**Using the recommendations given below compose the dialogue between two business partners. Try to follow all recommendations that have been given in the text below.**

**Ask your friend to act as an interpreter (if necessary).**

1. Remember that a negotiation aims towards mutual advantage. Prepare realistic objectives, a clear strategy of concession to achieve those objectives.
2. Work out a procedure of a negotiation to your advantage, but agree it with the other side.
3. Discover as much about the business culture of the other side as possible. Find out what emphasis they put on the socializing stage; what level of formality should be expected; what the typical zone of bargaining may be and how long the negotiations are likely to take.
4. Practice and rehearse the key phrases in English which will help you to structure, propose, clarify, probe, bargain, delay, pressurize, settle and close.
5. Establish clear roles within your team and coordinate your tactics. Rehearse the overall situation with your colleagues to identify problems and difficulties.
6. Establish a positive emotional climate as soon as possible.
7. Remember that plain speaking often is valued highly. Do not be offended if an American speaker, for example, speaks very directly.
8. Set the structure of the negotiations and establish a climate of agreement early by agreeing a procedure.
9. Define the function and target of each session to avoid un-real expectations.
10. Follow the agreed structure and give clear signposts and signals throughout.
11. Establish a process of checking and cross-checking early to avoid misunderstandings and confusion. If something is not clear, say you do not understand, or ask for clarification. No loss efface is involved.
12. Use the techniques of restatement and review to check the other side's position or to take time to think.

13. Use polite and tentative language to avoid the impression of arrogance or insensitivity when asking for information or putting forward proposals, e.g. *Could we ask how much ...? rather than How much ...? or We foresee the need for ... rather than We want...*
14. Be positive: never say *no* to a proposal or idea. Present a counter-proposal or identify the positive aspects of the proposal before declining it with an apology and expression of regret. Never say something is impossible. Say that it could be difficult or problematic.
15. Say *yes* to the person if you have to say *no* to the idea.
16. Whenever possible, emphasize common ground and stress the positive aspects of the dialogue. Eliminate the negative aspects by reducing them to objective problems that need to be solved in a spirit of collaboration.

**Task III. Read the text and render it into English. Make a list of the most common features characterising each nation.**

### **Североамериканская деловая культура**

Североамериканская деловая культура сравнительно молода, но уже многими исследователями, деловыми людьми отмечаются такие её особенности, сходные с чертами национального характера, как ориентация на индивидуализм в человеческих взаимоотношениях, на сильную личность в практической деятельности, а отсюда стремление к единоличным решениям. Американские бизнесмены отличаются высокой деловой активностью, большими способностями в борьбе за прибыль, стремлением утвердить своё превосходство, исключительной уверенностью в себе, стойкостью, выживаемостью, склонностью к риску. В деловых отношениях на производстве доминирует беспрекословное подчинение и жёсткая дисциплина. Американцы ревностно относятся к соблюдению прав человека, в конфликтных ситуациях чаще всего прибегают к закону, к

услугам адвокатов. В неформальных взаимоотношениях американцы общаются друг с другом просто. Они достаточно открыты, несколько фамильярны даже с людьми, старшими по возрасту и положению, вольно обращаются с правилами светского этикета, улыбчивы, внимательно и бережно относятся к своему здоровью.

Американский стиль ведения переговоров проявляется в стремлении обсудить не только общие подходы, но и детали, связанные с реализацией договорённостей. Американцам импонирует не слишком официальная атмосфера, открытость, дружелюбие. Однако они нередко проявляют эгоцентризм, так как полагают, что при ведении дел их партнёры должны руководствоваться теми же правилами, что и они. Поэтому партнёры по переговорам нередко считают американцев слишком напористыми, агрессивными. Американский стиль ведения переговоров характеризуется достаточным профессионализмом. Редко в американской делегации можно встретить человека, некомпетентного в вопросах, по которым ведутся переговоры (соответственно, американцев пугает некомпетентность партнёра). Члены делегации на переговорах относительно самостоятельно при принятии решений. Американцы довольно настойчиво пытаются реализовать свои цели на переговорах, любят торговаться. Как правило, не терпят больших затяжек в ведении переговоров.

#### **Task IV. Compare American and European business cultures.**

##### **Европейская деловая культура**

Европейская деловая культура намного старше американской. В той или иной степени для неё характерны отмеченные черты североамериканской деловой культуры, но и здесь имеются национальные отличия и особенности.

Так, **немецкой деловой культуре** свойственны такие черты, как стремление к порядку, дисциплинированность, пунктуальность, экономность, дотошность. Главное отличие немецкой манеры вести дела – степень официальности. Все встречи назначаются заблаговременно. Весьма неодобрительно воспринимаются внезапные предложения, изменения. Одеваются строго, для женщин в деловой одежде исключаются брюки. Очень высоко ценится профессионализм. Вместе с тем немцы достаточно коммуникабельны, любят повеселиться, развлечься.

Для немцев более вероятно вступление в те переговоры, в которых они с достаточной очевидностью видят возможности нахождения решения. Обычно немцы очень тщательно прорабатывают свою позицию, в ходе переговоров любят обсуждать вопросы последовательно, один за другим. Они любят приводить факты и примеры, неравнодушны к цифрам, схемам, диаграммам. Во время переговоров с ними надо быть логичным в аргументации и точным в изложении фактов. Ценятся честность и прямота. При заключении сделок немцы будут настаивать на жёстком выполнении принятых обязательств, а также уплате высоких штрафов в случае их невыполнения.

**Англичане** характеризуются деловитостью, почитанием собственности, традиций, вежливостью, законопослушанием. В общении они очень сдержанны и щепетильны, что иногда воспринимается как замкнутость, чопорность. В беседах ценится умение слушать, в деловых отношениях – пунктуальность. В Англии господствует правило «соблюдай формальности». Обращение на «ты» к англичанину абсолютно немыслимо, так же как и обращение к кому-либо по имени без специального разрешения. Британцы очень строго соблюдают процедуру знакомства. Обмен рукопожатиями принят только при первой встрече. Говорить с англичанином о делах после окончания рабочего дня считается дурным тоном, даже если вы выпиваете или ужинаете со своим деловым партнёром.

В отличие от немцев англичане в меньшей степени уделяют внимание вопросам подготовки к переговорам. Они подходят к ним с большей долей pragmatизма, полагая, что в зави-

симости от позиции партнёра на самих переговорах и может быть найдено наилучшее решение. При этом они достаточно гибки и охотно отвечают на инициативу противоположной стороны. Англичане умеют терпеливо выслушать собеседника, что, однако, не всегда означает согласие. Грубым поведением считается, когда слишком много говорят, т.е., как считают англичане, силой навязывают себя другим. По традиции англичанин сдержан в суждениях, избегает категоричных утверждений, старательно обходит в разговоре любые личностные моменты, т.е. всё то, что было бы расценено как вторжение в частную жизнь. У них высоко развито чувство справедливости, поэтому при ведении дел они исповедуют честную игру.

**Французы**, родина которых считается законодательницей в деловом протоколе и этикете, очень галантны, изысканны, стремятся придерживаться этикета, при этом в поведении раскованы и открыты для собеседников. Они очень ценят интеллект, умение изъясняться, точно формулировать условия контрактов и сделок. Чувство удовлетворения у французов вызывает интерес к их культуре и языку (при этом с досадой воспринимается плохое знание французского языка). В деловых отношениях ценятся личные связи. Многие важные решения принимаются на деловых приёмах (завтраках, обедах, коктейлях и пр.).

При проведении переговоров французы стараются избегать официальных обсуждений вопросов “один на один”, стремятся сохранить свою независимость. В то же время их поведение может изменяться самым кардинальным образом, в зависимости от того, с кем они обсуждают проблему. Французы большое внимание уделяют предварительным договорённостям. Любят досконально изучать все аспекты и последствия поступающих предложений, поэтому переговоры с ними проходят в значительно более медленном темпе. Любые попытки ускорить переговоры могут лишь навредить делу. При обсуждении вопросов, аргументация французов традиционно ориентируется на логические доказательства. Они достаточно жёстко ведут переговоры и, как правило, не имеют “запасной” позиции. Французские партнёры могут перебивать собеседника, чтобы

высказать критические замечания или контраргументы, но они не склонны к торгу. По сравнению с американцами они менее свободны и самостоятельны при принятии окончательного решения. Подписанные контракты – предельно конкретны и не допускают разнотений. Французы негативно относятся к компромиссам и в качестве официального языка переговоров предпочитают использовать французский язык.

#### **Task V. Compare and find out differences in business culture of Ukraine and Oriental countries.**

##### **Деловая культура Востока**

Отличается своеобразием деловая культура Востока. Так, **японская деловая культура** определяется в первую очередь коллективизмом, основанном на традиционном общинном сознании, отождествлении работниками себя с фирмой. Коллективистский характер труда во многом обуславливает и стиль принятия управлеченческих решений “снизу-вверх”. Коллективизм проявляется в одинаковой рабочей одежде рядовых сотрудников и управляющих, в совместном проведении досуга. Почти все фирмы имеют моральные кодексы, и хотя они не являются формальными атрибутами, их требования добросовестно выполняются. Японцы избегают противоречий и конфликтов, стремятся к компромиссам. Конфликты решаются не столько с использованием юридических законов и адвокатов, сколько посредством переговоров с целью нахождения согласия. В деловой этике очень ценятся трудолюбие, усердие. Японцы отличаются пунктуальностью и почти никогда не опаздывают на встречи. Характерной чертой японцев является чувствительность к общественному мнению, предельная точность и обязательность. Рукопожатие при знакомстве в Японии не принято.

При проведении переговоров большое внимание японцы уделяют развитию личных отношений с партнёрами. Во время неофициальных встреч они стараются по возможности подроб-

нее обсудить проблему. В ходе самих переговоров стремятся избегать столкновения позиций. Японцы часто демонстрируют внимание, слушая собеседника. Часто такое поведение интерпретируется как выражение согласия с излагаемой точкой зрения. На самом же деле они лишь побуждают собеседника продолжать. Стремление японцев не употреблять слово “нет” и употреблять слова “да” в значении, что вас слушают, не знающего об этом человека может ввести в заблуждение. Знакомый с японским этикетом иностранец увидит отказ в словах “Это трудно”, в ссылке на плохое самочувствие и т.п., а согласие – в словах “Я понимаю”. Механизм принятия решений у японцев предполагает довольно длительный процесс согласования и утверждения тех или иных положений. Терпение считается в Японии одной из главных добродетелей, поэтому обсуждение деловых вопросов часто начинается с второстепенных деталей, и идёт очень неспешно. Японцы не любят рисковать, и стремление не проиграть может оказаться у них сильнее, чем желание выиграть. Когда японцы встречаются с очевидной уступкой со стороны партнёров, они часто отвечают тем же. Японцы чрезвычайно щепетильны и очень ответственно относятся к принятым на себя обязательствам.

**Китайцы** обычно чётко разграничивают отдельные этапы переговорного процесса: первоначальное уточнение позиций, их обсуждение, заключительный этап. На начальном этапе большое внимание уделяется внешнему виду партнёров, манере их поведения. На основе этих данных делаются попытки определить статус каждого из участников. В дальнейшем в значительной мере идёт ориентация на людей с более высоким статусом, как официальным, так и неофициальным. Окончательные решения принимаются китайской стороной, как правило, не за столом переговоров, а дома. Одобрение достигнутых договорённостей со стороны центра практически обязательно. Китайцы делают уступки, как правило, под конец переговоров, после того как оценят возможности другой стороны. При этом ошибки, допущенные партнёром в ходе переговоров, умело используются. Большое значение китайская сторона придаёт выполнению достигнутых договорённостей.

В деловых отношениях с **арабами** следует помнить об обязательном соблюдении исламских традиций. В месяц рамадан мусульманину не положено ничего есть с восхода до заката солнца. В первый месяц мусульманского нового года не следует устраивать приёмы. Все дела пять раз в день прерываются для совершения молитвы, четверг или пятница у мусульман – день отдыха и служения богу. Запрещается употреблять свинину и спиртное. Не стоит с представителями исламского мира заводить разговор о религии или политике. Необходимо являться в установленное место вовремя, хотя ваш хозяин может задержаться. Арабам, скорее всего, затруднительно будет иметь деловые отношения с представительницами женского пола.

Для арабов одним из важнейших элементов на переговорах является установление доверия между партнёрами. Они предпочитают предварительную проработку деталей обсуждаемых на переговорах вопросов, а также “торг” за столом переговоров. Всегда стараются оставить за собой возможность продолжить контакты, если на этот раз соглашения достигнуть не удалось (при этом отказ от сделки сопровождается расточением похвал в адрес партнёра и отвергнутого соглашения).

**Task VI. Make a conclusion concerning negotiating styles in different countries:**

1. What are the reasons for such a diversity of negotiating styles?
2. Why is it so important to know them?
3. How can you improve your knowledge of every nation's peculiarities?

**TEN MISTAKES TO AVOID IN WORKING  
WITH LATIN AMERICANS**  
**By William A. Naughton, Ph.D**  
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Boundless opportunities exist for successful relations with Latin Americans. Some disagreements and conflicts persist, but the growing sense of hemispheric partnership since the 1994 Summit of the Americas is leading to expanding government cooperation and commercial ties in all areas. Yet, many U.S. officials and representatives complicate and even damage relations by making needless mistakes in their dealings with Latin Americans. Making it worse, many of those mistakes can go unnoticed until they create serious problems because they involve subtle differences in cultural values and customs. Most of those problems can be avoided or minimized with careful awareness and sensitivity.

Which mistakes are most serious? And how can they be avoided? Based on my own more than 40 years of experience in working with Latin Americans and with U.S. personnel dealing with Latin Americans, I would highlight the following:

***Mistake #1: Being patronizing to Latin Americans.***

Most of us are so accustomed to seeing the United States as the best and most advanced country and the world's "leader" that we often unconsciously tend to see other countries and people as less sophisticated and believe that all they really need is to learn to do things "the American way". As a result, we often simply try to impose our ways on Latin Americans and others without understanding and appreciating their values and perspectives.

Such an ethnocentric approach often borders on arrogance and inevitably rankles Latin Americans, who rightfully take pride in their own traditions and culture. Although they are seeking more effective ways to deal with national issues and participate in international affairs – and they admire many "American ways" – they know from experience that "Anglo-American" approaches often do not work as well within a Latin culture. At a minimum, they need adaptation to local values and customs.

Successful U.S. businessmen and diplomats know this. To be successful, you need to show respect for Latin American customs and not try to impose U.S. values and ways in your dealings with Latinos. And once you understand their ways, you will be in a better position to assess which mix of approaches would work best in that particular culture. In the process of working cooperatively together, both sides gain from the trust that builds from a relationship of mutual respect.

***Mistake #2: Assuming that Latin American values and ways are identical to those of Anglo-Americans.***

Some inexperienced Anglo-Americans make a somewhat different mistake in assuming that “Latins are just like us” – a phrase once used by a senior U.S. official. We do share many values, goals and customs, and success requires reinforcing and building on those common values. But our conflicting values and customs create the most serious barriers to understanding and successful relations.

Latin America’s Iberian heritage often contrasts sharply with Anglo-Saxon patterns found in the United States. The problem is that each side sees its own customs as “natural” and “right” – and see “foreign” ways as not as good. That often leads to cross-cultural mistrust and friction. To compound the problem, the true causes of conflict are often so subtle that they go unrecognized until damage is already done. And then it’s much more difficult to restore cordial relations.

To succeed with Latin Americans, you have to understand and respect their perspectives and values, and help them understand and appreciate yours. Such understanding strengthens mutual trust.

***Mistake #3: Overgeneralizing and stereotyping “Latin American” values and customs.***

Latin Americans share many values and perspectives stemming from the continuing powerful influence of their common Iberian heritage. And Latins themselves recognize that they share much more in common with each other than they do with people from the United States or Canada. But each country has its own culture and

historical experiences which make it unique, and stereotyping “Latin Americans” is not only wrong, it creates resentment. Latin Americans take great pride in their own country of origin and see themselves as Mexicans or Colombians or Chileans or Brazilians. And more particularly, they see themselves as individuals deserving respect for their uniqueness. They dislike being lumped together as “Latin Americans.”

To work successfully with Latin Americans, you need to avoid over-generalizing and make it a point to emphasize and show respect for the values and sources of pride of the particular Latin American country with which you are dealing.

***Mistake #4. Failing to develop trusting personal rapport with Latin Americans.***

There is probably no more decisive factor in the success or failure of government-to-government relations or business dealings with Latin Americans than the extent to which you are able to establish trusting interpersonal rapport. Latins give great importance to being able to trust people with whom they work. People in the United States seem to have less of a need. We tend to put our trust in governments or particular companies to be reliable. Latins tend to distrust impersonal institutions and put much greater reliance on personal relationships.

To succeed with Latin Americans, you must work actively to gain their confidence and trust. No matter how prestigious your agency or firm, if you cannot convince your Latin American associates that you are personally reliable, you will probably fail in your dealings with them. And that trustworthiness must be sincere, not simply playing a role. The U.S. government and most firms now give much higher priority to picking representatives who can develop such rapport. But not all people can. And those government and business representatives who do not – or cannot – develop trusting personal relations with their Latin American associates are doomed to failure or mediocre performance at best, usually at considerable cost to the government or firm they represent.

***Mistake #5: Not showing sufficient respect for their Latin American associates to at least try to acquire basic communication skills in their language.***

Nothing pleases Latin Americans more than sincere expressions of respect for their culture and for national achievements in which they take great pride. That means learning as much as you can about their country and culture, and especially proper social and business protocol within that culture. It also means showing enough respect to learn at least basic communication skills in their language. No one expects language fluency or even facility, but just demonstrating that you want to speak their language says a great deal about your respect for them. On the other hand, showing a lack of interest in even trying to learn basic expressions also says a great deal about your respect for them. Most U.S. Government agencies and global companies normally give high priority to having their representatives learn to communicate well in the language of the country where they will serve as representatives. Yet, there are still many U.S. officials and businessmen who do not bother to learn much about the country or culture of the Latin Americans with whom they are working, much less attempt to learn their language. That's an immediate mark against that person when he or she is trying to create a favorable impression – and first impressions are extremely important to Latin Americans.

If your work involves close and frequent association with Latin Americans, you would benefit greatly from reading extensively about their country and culture and from taking out some tapes on Spanish or Portuguese – or taking a short language immersion course in the particular language. It doesn't take that much to show respect, and the benefits are immeasurable.

***Mistake #6: Not learning enough about your own Anglo-American values and customs, particularly those which clash with Latino ways and most irritate some of the very people you are seeking to impress.***

Many people from the United States are surprised and perplexed by how many of the very customs and styles in which they take most pride can clash with Latin American styles and

practices. But that should not surprise them since most of those customs are based on Anglo-Saxon values and traditions. It should be more surprising to find Anglo-American styles succeeding in Latin cultures without modification. Some styles do work well, of course, because of shared universal values or Latin American experience with U.S. methods. But in most cases, styles need to be adapted to fit the local culture. For example, our particular governmental, legal and business practices are based heavily on English traditions. They may go over in former English colonies in the Caribbean but not with Latins of Iberian heritage. Yet, we take those practices so much for granted that we naturally assume that they will work as well in other cultures. Not true. And not only do they not always work with Latin Americans and others brought up with differing values, but Latins resent it if we try to impose our styles and practices on them – which we quite often do. One past U.S. effort to “modernize” Latin American civil law practices, for example, failed miserably because we tried to convert them from using the Napoleonic Code followed in Latin America to practicing U.S. common law concepts based on English tradition.

Avoiding such mistakes requires that you objectively analyze the very values and customs you were brought up to see as universal norms in your culture. That's not easy without help. Fortunately, various studies are available which provide that assistance. And as you come to see those customs as foreigners see them, you gain insight as to why they may or may not work as well in someone else's culture. That knowledge will also help you explain your own styles to them in objective terms unbiased by ethnocentric arrogance. Latins appreciate such information since they often experience their own misperceptions and confusion in working with people from the United States.

***Mistake #7: Assuming in particular that U.S. management and negotiating styles will succeed without modification within a Latin American country.***

As successful as advanced U.S. management and negotiating styles may be when applied within the United States, they are successful largely because they appeal to Anglo-American-based

U.S. values. U.S. emphasis on competition and achievement, for example, helps explain our tendency to be hard-charging workaholics and to rely on individual initiative, while our strong tradition of egalitarianism explains the success of participatory management and use of project teams. And U.S. pragmatism reflects our preference for practical results and our willingness to compromise in resolving disputes.

But prevailing Latin American values and traditions are quite different, and we should never assume that our management and negotiating styles will work without modification when dealing with Latins. Latin American traditions of authoritarianism, personalism and emphasis on family and interpersonal ties, for example, create a much different government and business environment that require adaptation of U.S. styles. But this by no means implies less efficiency or productivity. A study of sister manufacturing companies in the U.S. and Mexico, for example, showed that applying locally based management and work styles can provide a more satisfying environment without lessening productivity.

And in negotiations, Latins tend to be more idealistic and see little inherent value in the U.S. preference for compromise. In fact, there is no direct translation of “compromise” in either Spanish or Portuguese. “Compromiso” and “compromisso” mean “commitment”. For that reason, the only kind of negotiations that will work with Latin Americans is a “win-win” approach clearly benefitting both sides. And the best approach to conflict resolution is one that is recognized as fair and sensitive to both parties’ perspectives and concerns.

Innovative approaches in management and negotiations can be successfully applied as long as you apply them with sensitivity to local customs and they are seen as benefitting all concerned – and as long as you are seen as ready to modify them if they run into problems. Changing cultural values does not come easily, and trying to force changes can provoke serious resistance and resentment. But with understanding and mutual trust, new approaches can be turned into positive collaboration combining the best of both cultures and avoiding unnecessary friction.

***Mistake #8: Not learning how your Latin American associates view the United States and our ways of doing things.***

Seeing ourselves as others see us can be both surprising and sobering, but it is essential if we're going to understand their attitudes and forge a relationship of trust and cooperation. It also enables us to work more successfully with them by helping us to understand their perceptions and likely reactions to what we do. This is especially true regarding Latin Americans. The history of U.S.-Latin American relations is replete with misperceptions, conflicting interests, policies geared mainly in pursuit of U.S. interests, use of pressure tactics and frequent ineptness in handling cross-cultural relations. And the history of U.S. business in Latin America retains lingering memories of uncaring exploitation and self-serving policies and pressure of a past era. But such a history has created some underlying mistrust on the part of many Latin Americans.

Reading Latin American accounts of the United States and openly seeking their views on U.S. government and business policies and behavior are the best means of understanding their perspectives on the issues of concern to both sides. Such open discussion also enables you to correct misperceptions on both sides and strengthen an atmosphere of confidence and trust.

***Mistake #9: Not recognizing how to deal with irreconcilable differences in ways that will lead to success in other areas.***

Even trusting and mutually beneficial relationships will occasionally encounter irreconcilable conflicts on essential issues. After all, each side is seeking to promote its own particular interests, and conflicts in those interests are bound to arise. With goodwill and a focus on long-term relations, such conflicts can often be resolved in acceptable ways. But not always. And for that reason, not all negotiations will succeed. But having a particular arrangement fall through is not the worst possible outcome: it may be much better than having an agreement which one side sees as unfair, leading to resentment that would doom the trusting partnership that was supposed to have been established in the first place.

Maintaining that broader trusting relationship is what is most important. For even if you cannot agree on particular arrangements

at the time, conditions may change and other opportunities arise that will enable you to reach new arrangements. And the underlying relationship of trust can lead to expanding trusting relations with other Latins. Interpersonal trust is such a core value among Latin Americans that they will often recommend you to other friends as a “person of confidence” even though your specific arrangement with them ran into irreconcilable problems. That’s what trust and friendship are all about.

***Mistake #10: Failing to nourish your relationship with Latin American associates over the long term.***

Successful personal relationships with Latin Americans must be cultivated and nourished over the long term, especially since Latins tend to see agreements and even contracts and treaties as personal arrangements which may need adjustment as conditions change or problems arise. The common U.S. view that “a contract is a contract” to be fulfilled under threat of litigation clashes with Latin American values and can severely damage the underlying trust that enabled the agreement in the first place. Moreover, the lingering Latin American mistrust of the U.S. government and business as interested only in their own benefits needs to be handled with great care.

This means careful nourishment of relationships, with frequent personal contact and consultations maintained with Latin American associates and ensuring that you seek and respect their insight on matters involving their country. And decisions must be based on mutual benefits for all parties concerned. As long as you can keep your eye on the long-term relationship of trust and confidence – and as long as you treat your Latin American associates with the same respect, fairness and consideration with which you expect others to treat you – you will achieve enormous success in your relations with Latin Americans.

**Tasks**

1. Make a general conclusion concerning patterns of negotiation common in European and Asian countries.

2. Compare negotiating styles in different Asian countries. What generalizations can be made?
3. How can an international manager familiar with European negotiating styles prepare for negotiations with representatives of oriental countries?

## **UNIT 12**

### **THINK BEFORE YOU ATTACK A COMPETITOR**

It happens to everyone in business at some point in time and, if you are anything like me, it makes you very upset. You know how it happens. Everything is going well. In fact, too well. You are minding your business and making money. Life is great. Then, out of nowhere, a competitor comes out with a new product, drops their prices, or offers the customer an advantage you don't have. Most probably, you take the new action personally and in your mind you think, "How dare they?" You think about it a bit longer, start to feel stupid, and begin to focus on getting even and snatching your customers back.

This is definitely not the wisest manner in which to plan an attack strategy, mainly because you are too emotional. It has often been said that emotion clouds judgment: nothing could be more correct when considering an attack strategy against a competitor. At the same time, something must be done to remain competitive. So what do you do? I can not tell you specifically without knowing the multitude of factors particular to your situation. I can, however, outline a few things that should be considered when attacking any competitor who has an advantage over you.

Never launch a frontal attack unless you are the leader -1 do not care how mad you are or how cool you think you are, it is suicidal to launch an aggressive frontal attack against a larger competitor. The reason for this is simple: they will kill you. Most of the customers are already on their side and they can out-spend, out-

staff, and out-advertise you. I have seen many brave young Davids take on Goliaths head to head and get slaughtered. Occasionally, the little guy wins, but this is a rarity. Trust me, there are better ways to attack.

Always use the element of surprise: merely copying your competitor will not work.. Remember, the competition is counting on your matching them, and as soon as you do, they will do something different. They lure you into following them around, slowly wearing you down. A much better strategy is to surprise the competition with something different and wait for them to match you. Once this happens it will be time for you to change your strategy, tempting them to match you. Once this cycle begins it will be hard for the competition to break because every time you beat them to the market, they will become more emotional-resulting in them following even more closely.

Always attack on a narrow front. Many Davids believe that a slick attack strategy is to hit the competition simultaneously on every front. This is like the hunter with a shotgun who tries to shoot every bird in a flock all at once, by firing one shot aimed into the middle of the flock. Like trying to chase two rabbits at once. This just doesn't work. Aim for one target and concentrate your energy on it until it is destroyed.

Always attack the leader's weakness. This might sound like a frontal attack, but it is completely different. In a frontal attack, you match the competitor head-to-head. In what is referred to as a guerilla attack, you attack the leader's weakness – which is usually located inside its strength. For example, if a competitor uses their large size as a strength, you attack their size (how big, bureaucratic, and impersonal they are) and position yourself as the smaller and personal company. All companies, especially big ones, have weaknesses which can be exploited. You just have to look for them.

Always attack in an uncontested area. Commonly called "niche marketing", this can prove one of the most valuable of all attack strategies. The best and most recent example of this technique involves Microsoft and Netscape. Microsoft is the undisputed PC software champion. Nevertheless, they left a hole open in their offering by not offering internet access software. Netscape saw the hole, jumped

through it and today is the leading internet software available.

In closing, I want to offer you a word of caution about doing battle with competitors. It sounds really cool on paper, but in practice it can be challenging, stressful, and dangerous to your business. Yes, it's true that the small guy can take down the big guy, but it's not easy. The keys to taking him down are good information, trained people, and patience. With these three elements and the rules and strategies outlined in this article, you have what you need to take down your Goliath.

### **Tasks**

1. What is the key word of the second paragraph?
2. Why is it so important to carefully plan an attack strategy and not to try to solve the problems with your competitor under the influence of the immediate emotions?
3. Make a list of rules of what is to be done to overcome your competitor.
4. Write down an instruction for an unexperienced businessman how to avoid mistakes trying to attack a competitor.
5. Think about your own advice of how to feel confident in conditions of constant competition.

**Translate from English into Ukrainian. Give the title to each paragraph.**

In northern cultures, the principle of pay-for-performance of-ten successfully motivates sales people. The more you sell, the more you get paid. But the principle might well be resisted in more collectivist cultures, and in countries where rewards and promotion are expected to come with age and experience. Mr. Trompenaars gives the example of a sales rep (commercial traveller) in an Italian subsidiary of a US multinational company who was given a huge quarterly bonus under a new policy imposed by head office. His sales – which had been high for years – declined dramatically during the following three months. It was later discovered that he

was deliberately trying not to sell more than any of his colleagues, so as not to reveal their inadequacies. He was also desperate not to earn more than his boss, which he thought would be an unthinkable humiliation that would force the boss to resign immediately.

Trompenaars also reports that Singaporean and Indonesian managers objected that pay-for-performance caused salesmen to pressure customers into buying products they didn't really need, which was not only bad for long term business relations, but quite simply unfair and ethically wrong.

Another example of an American idea that doesn't work well in Latin countries is matrix management. The task-oriented logic of matrix management conflicts with the principle of loyalty to the all-important line superior, the functional boss. You can't have two bosses any more than you can have two fathers. Andre Laurent, a French researcher, has said that in his experience, French managers would rather see an organization die than tolerate a system in which a few subordinates have to report to two bosses.

In discussing people's relationships with their boss and their colleagues and friends, Trompenaars distinguishes between universalists and particularists. The former believe that rules are extremely important; the latter believe that personal relationships and friendships should take precedence. Consequently, each group thinks that the other is corrupt. Universalists say that particularists "cannot be trusted because they will always help their friends", while the second group says of the first "you cannot trust them; they would not even help a friend". According to Trompenaars' data, there are many more particularists in Latin and Asian countries than in Australia, the USA, Canada, or north-west Europe.

**Finish the sentences and discuss:**

- differences between universalists and particularists;
- Universalists say that particularists 'cannot be trusted because ...';
- there are many more particularists in Latin and Asian countries than in ....

**MEPs Vote for "Pure" Chocolate**

The European Parliament voted yesterday to force British and

Irish chocolate-makers to change the name of traditional milk choc-olate to “milk chocolate with a high milk content” or even house-hold (домашний) “milk chocolate”.

Chocolate from these countries as well as from Austria, Denmark, Finland, Portugal and Sweden, would also have to carry a label on the front of its wrapper indicating that it contains vegetable fat.

The proposal took the form of amendments to (направка) a European Commission draft directive aimed at creating a single market in chocolate. MEPs adopted them by a large majority after an emotional debate in which Belgian parliamentarians led the case for “pure” Continental-style chocolate, which uses only cocoa butter.

The main point of disagreement has been over whether chocolate should be allowed to contain vegetable fats, rather than cocoa butter, as is the case in the UK, Ireland, Austria and Portugal. In these countries up to 5 per cent of a chocolate bar can be made of such fats.

Manufacturers argue that their use allows them to keep costs low and reduces dependence on cocoa.

Another argument has been over what constitutes “real” milk chocolate. British milk chocolate has traditionally contained a higher milk content than Continental milk chocolate, 20 per cent as opposed to 14 per cent.

But British chocolate-makers were unrepentant (не уступают). “We refuse to accept that our product is in anyway inferior, it is just different”, said Richard Frost of Cadbury’s.

## **UNIT 13**

### **PRIORITIES OF INTERNATIONAL MANAGERS**

German managers, more than others, believe that creativity is essential for career success. In their mind, successful managers must have the right individual characteristics. German managers have a rational outlook; they view the organization as a coordinated net-

work of individuals who make appropriate decisions based on their professional competence and knowledge.

British managers hold a more interpersonal and subjective view of the organisational world. According to them, the ability to create the right image and to get noticed for what they do is essential for career success. British managers view organizations primarily as a network of relationships between individuals who get things done by influencing each other through communicating and negotiating.

French managers look at organizations as an authority network where the power to organize and control others comes from their position in the hierarchy. French managers focus on the organization as a pyramid of differentiated levels of power. They perceive the ability to manage power relationships effectively and to “work the system” as critical to their career success.

As companies integrate their operations globally, these different national approaches can send conflicting messages to success-oriented managers. Subsidiaries in different countries operate differently and reward different behaviours based on their unique cultural perspectives. The challenge for today’s global companies is to recognize local differences, while at the same time creating globally integrated career paths for their future senior executives.

There is no doubt the new global environment demands more, not fewer, globally competent managers. Global experience, rather than side-tracking a manager’s career, is rapidly becoming the only route to the top. But in spite of the increasing demand for global managers, there is a potentially diminishing interest in global assignments, especially among young managers. A big question for the future is whether global organizations will remain able to attract sufficient numbers of young managers willing to work internationally.

### **Discussion**

1. What are priorities of international managers based on?
2. Why is global experience becoming more and more important?
3. Do you consider learning cultural perspectives of different

nations absolutely necessary for a successful international manager?

## TEST V

Aspect of culture	Meaning
1. Universal	a. Business relationships are limited and contractual.
2. Particular	b. Status, age, gender or education matter more than particular successes.
3. Individual	c. Relationships are fluid and flexible depending on situation.
4. Collective	d. Society is based on the whole community.
5. Neutral	e. People are reserved and do not easily express feelings.
6. Emotional	f. Recent or past successes are highly valued.
7. Specific	g. Society is oriented towards individuals' wants and needs.
8. Achievement-based	i. Relatively rigid rule-based behaviour.
9. Ascription-based	j. It is common to express feelings openly.

## TEST VI

### History of Management Theory

Below is a list of management theories over the last five

hundred years. In each pair decide which statement is true.

- 1 Machiavelli *The Prince* (1513)
  - a) You have to be cleverer than your opponent, sometimes using force or trickery.
  - b) You have to kill your opponents.
- 2. Marx and Engels *The Communist Manifesto* (1848)
  - a) The Communist Party will dominate the world.
  - b) The working class will rise up and take power from the bourgeoisie, creating a Utopia of equality and brotherhood.
- 3. Taylorism (1911)
  - a) A 'scientific' approach to management based on measuring time, performance and output and relating these to wages and salaries.
  - b) A system of management based on friendly cooperation between managers and workers.
- 4. Hawthorne studies (1924-32)
  - a) Studies showing that factories produce more if workers are put under increased pressure.
  - b) Studies showing the relationships between management and workers are very important in getting the best performance.
- 5. Kilon Mayo (1930s)
  - a) The idea that social needs and relationships are very important factors in the workplace.
  - b) The belief that workers should be able to control the work environment.
- 6. Maslow's Hierarchy of Needs (1942)
  - a) The idea that people have needs which motivate their performance. Once a need is met, it is no longer motivating.
  - b) The idea that workers and managers have the same needs and have to co-operate.
- 7. Systems approach (1950s and 60s)
  - a) Itelief that organizations consist of many parts and management has to help each part to work both individually and as part of the whole organization.
  - b) lielief that a company is a single organization. Managing the single organization from the top brings success.
- 8. Contingency theory (1980s and after)
  - a) Idea that organizations are all similar and have the same objective – profit.
  - b) Management must study every situation and design the best response.