

The strategic efficiency in international trade negotiations

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The countries with which we commercialize, are characterized by different customs and traditions that should be taken into account when doing business with them. The aim is to identify key cultural aspects of our customers, and how we should consider this in the negotiation of international trade. The information used to perform this work was obtained from books related to international business and from various articles published by universities, obtained from the Internet; so with it, we made charts, tables and graphics to organize the bibliography and information sources. Key cultural features that should be considered in the different countries which have trade relations are: proxemics, time, needs, interests, desires and goals. Much of the success of commercial businesses is in the proper management of the cultural aspects of countries with which it is marketed.

Business, Culture, ID Proxemics

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Introduction

International relations have the characteristic of evolving according to the scenario being lived in the world at the time, no matter how hard it might be to explain. This is part of globalization.

The globalization of today's world can be considered as a series of political, economic, cultural, social and ecological processes having an interrelation between the different countries even when they are distant from each other.

One of the main aspects in globalization is the culture of the countries, each of them having its own peculiarities. Culture is rarely taken into account within the processes of globalization, especially when it comes to business.

Justification

In Mexico the experiences with FTAs have shown a lack of preparation in negotiations, lack of knowledge of cultures, history, kinds of behavior, of Mexico itself and of another countries.

In Mexico as well as in the European Union and other parts of the world, people develop different behaviors, this is in large part due to the influence that exists within their culture, which is made by other factors such as the history of each country, language, religion, customs and modalities, as well as education among other things.

These aspects lead people to interpret and have a different vision of things and at the same time to acquire behaviors and values individually and collectively.

The behavior and values are transmitted over generations through education.

These cultures have evolved as times change and people adapt.

Currently in the world there is great mobility of people from one country to another, the exchange of goods and services, as well as the movement of capital.

With this freedom of movement that has occurred, a huge cultural Exchange has also been carried out, as people moving from one country to another bring their customs and habits with them, for example the way they dress and act, their food routines, and something very important, their religion; this is passed to others, although not necessarily adopted.

All these above factors should be taken up again for increased competitiveness, quality and productivity of each region of the world, based on attitudes, skills, behavior, religion, habits and other strengths that people may have, because it is important not to ignore the fact that you can not work in the same way in all parts of the world, and even less achieve successful international negotiation without knowing basic aspects of each culture.

Objectives**General Objective**

- Identify the key cultural aspects of the clients that should be considered in international trade negotiation.

Specific Objectives

- Knowing the different stages by which an international negotiation passes
- Define the characteristics of our partners at the time of negotiation

Methodology

The information used for the work was obtained from books related to International Business and from various articles published by Universities, obtained from the internet; Likewise, various tables, diagrams and charts to organize information from the bibliography and sources of information were developed.

Development**Culture Factor**

Culture can be seen as the set of distinctive spiritual, material, intellectual and emotional features that characterize a society or social group.

It includes not only arts and letters, but also ways of life, the fundamental rights of human beings, value systems, traditions and beliefs. Through it we discern values and make choices.⁶

Current systems of communication and transportation have created a fundamental phenomenon in international trade that makes it possible today to negotiate with people who until a few years ago would have seemed impossible to negotiate with.

This phenomenon of globalized communication is not only a question of language, but there are also a number of other aspects that make an effective intercommunication and the gestation of a relationship that is more adapted to the cultural values that may be affecting the emotions, reasoning and desire to approach.

Negotiation Factor

Every negotiation is a process of communication between two parties, whose aim is to reach an agreement, based on different needs and approaches.

It is about approaching positions up to an acceptable situation for both parties so as to enable them to create, maintain and develop a relationship. When negotiating parties are in different countries, we speak of international negotiation.

Negotiate is to use persuasive techniques rather than the use of power to get the biggest benefits out of the other party, although in international business there are situations in which the imbalance of power between the parties is so acute that the usual negotiation process is altered.⁷ Other aspects of the kind of attention demonstration, or at least reference that may be pleasing to our circumstantial partners is to be aware of the most basic aspects of their culture, as its national emblem, homeland badge, system of government, geography, history, religion, music and other data from its cultural, political and geographical environment.

⁶ Obregón Jiménez Edgar. Ambientes culturales que enfrentan las empresas, Universidad Autónoma de Tamaulipas, Facultad de comercio, administración y ciencias sociales.

⁷ García-Lomas Llamazares Olegario (2004). Global Marketing Strategies. Negociación internacional. Global Marketing Strategies, marketing y negociación internacional 2004.

The gestures, proxemics, intonation among other things, can contain much more information or create a better predisposition of the interlocutors.

Culture Classification

The classification of cultures Edward Hall proposed from the point of view of context is very appropriate for what we are discussing. For him, there are two groups.⁸

- "High context" cultures (CCA for its spanish abbreviation) are those where the context has more importance than the words. Attitudes and circumstances in which the negotiation takes place are more important than expressions themselves. Many countries in Asia, including Japan, Africa, Arab and Latin countries, correspond to this cultural kind
- The social position is critical and also the knowledge about it. Muchos países de Asia, Japón entre ellos
- Many countries in Asia, including Japan, Africa, Arab and Latin countries, correspond to this cultural kind, where business is slower, because they require a personal relationship that establishes trust between the parties.
- "Low context" cultures (CCB for its spanish abbreviation): They are those that use clear and specific verbal and nonverbal forms, with full grammatical expressions and little subjective interpretation.

- This type of communication is typical of Anglo-Saxon Western countries Businesses are faster because the details are analyzed quickly.

At the same time we may supplement this with the classification given by Mauricio Alice⁹ who drew upon the collectivism and individualism of cultures, which are listed.

Individualistic cultures	Intermediate cultures	Collectivist cultures
U.S. Australia Britain Canada Italy Denmark Sweden Ireland Norway Switzerland Germany Finland	Austria Israel Spain India Japan Argentina Iran	Brazil Turkey Greece Philippines Mexico Portugal Hong Kong Chile Thailand Peru Colombia Venezuela

Chart 1

Individualism and collectivism, distinguishes cultures that put the individual needs above the collective, of those cultures that prioritize the needs of the group over those of individuals.

In individualistic cultures, standards promote the interdependence of individuals by emphasizing social obligations. Members of individualistic and collectivistic cultures differ in many ways.¹⁰

⁸Hall, E.T. El lenguaje silencioso. Alianza Ed. Madrid. 1989.

⁹Alice, Mauricio: La cultura en la Negociación. En La Trama. Revista interdisciplinaria de mediación y resolución de conflictos. <http://www.apcpen.org.ar>

¹⁰Prince García Evangelina. Taller “Negociación Positiva para el Liderazgo Efectivo”. Estilos de negociación vinculados a marcos culturales. Universidad de Vigo.

For the Mexican businessman to understand the negotiation process in a better way, it is necessary to know the process which is divided into six stages.¹¹

- Initial stage: This stage consists in obtaining the most information about the counterparty in order to determine how you are going to negotiate, as well as the rigorous study of the offers and the topics that will be talked about as a way to rehearse the possible responses and objections that our counterparty may have and be able to answer them.
- Opening Stage: This is where both parties meet; it is very important to listen to our counterparty to discover what their goals and tactics of negotiation are.
- The beginning of this stage should be friendly and quiet but should not lose professionalism.
- Middle stage: This point is when the various offerings are presented. You have to know how to push the offers to the limit in order to learn their upper and lower margins and be able to make the best decision. It is preferable to allow our counterparty to start bidding.
- Proposal and counterproposal Stage: Both parties are approaching a point of agreement.

The middle stage serves to expose the offers and reach the stage of proposal and counterproposal with them already analyzed and ready to exchange counterproposals. The goal is not for a party to win and the other to lose (win-lose), the goal is for both parties to win (win-win) in order to establish lasting business relationships.

- Agreements Stage: It is easier to know how a negotiation is closed than when you have to close the negotiation. We have to convince the counterparty that we have reached the limit of our bargaining power, although a margin for maneuver might still remain.
- Follow-up phase: Many times we think that with the closure of the negotiation and signing of the contract, all is over. That is a very wrong approach and we should be on the lookout to check whether there is compliance with the stipulations, if the conditions in which it was negotiated will remain the same or a renegotiation will be necessary, before which we must not show ourselves rigid.

Characteristics of the negotiators ¹²

American Style

- The characteristics are historically rooted in the values of individualism and independence.

¹¹Rodríguez A. Impacto de la cultura en los negocios internacionales, un énfasis en los negocios con México. Daena: International Journal of GoodConscience. 2(2): 156-228 pp. Septiembre 2007.

¹² Rodríguez A. Impacto de la cultura en los negocios internacionales, un énfasis en los negocios con México. Daena: International Journal of GoodConscience. 2(2): 156-228 pp. Septiembre 2007.

However, these values create problems in negotiations due to the existence of situations of interdependence (Rugman and Hodgetts, 2000).

- The American businessmen generally prefer to handle negotiations by themselves, taking full responsibility for the decisions taken at the negotiating table.
- Informality in human relationships. The American preference for informality and equality in human relationships also reflects indifference toward the distinctions of social levels.
- Difficulty in mastering foreign languages. Americans often assume that the person in the foreign negotiating team with the best English speaking ability is the most intelligent and influential within the group. This is inappropriate because it can often lead to pay more attention to the wrong person.
- Complete authority in making decisions at the negotiations table.
- Focus on the persuasion stage.
- Reciprocal Trade of honest information. American negotiators hope to negotiate details with the other in a reciprocal manner.
- Solving sequential problems.
- Winning or losing the negotiation. The Americans have a competitive view, in the negotiation they expect a defined result, which will determine a winner and a loser.
- Avoidance of silence.
- Binding agreements. For Americans a contract constitutes an agreement explicitly written that is expected to be honored under any and all circumstances, "a deal is a deal."
- Inflexible negotiation style.

Japanese Style

- Status of relationship. The Japanese are uncomfortable when status distinctions do not exist or are not clear. No interpersonal equality is established.
- There is no equality when it comes to responsibility between buyer and seller.
- Long-term relationships. Business relationships are made for the rest of life and therefore are made slowly and carefully, in a socially prescribed manner.
- - The typical Japanese negotiation involves the required *aisatsu* (formal greeting), hospitality and a ceremonial gift with which begins a very long meeting. This serves to establish a harmonious relationship between the parties, that is very important to them.
- Maintaining harmony. To maintain superficial harmony, the Japanese avoid saying a direct "no" using other ways to express their negative.
- Decision making by agreement. On the one hand, the Japanese avoid saying "no" to maintain harmony.

On the other hand, it can also be difficult to get a "yes" because of its concept of decision making by consensus; a decision has to be accepted by all executives. This method has the disadvantage of delaying the decision making process, but offers an advantage of fast implementation, because the solution is supported by all stakeholders involved.

- Communication without words. The Japanese transmit the most important information through nonverbal channels such as tone of voice, eye contact, use of silence and body movements.
- Follow the main ideas. The Japanese do not change their ideas during the negotiation because decision-making by consensus involves many people who are not present at the negotiating table.

European style

It may vary in certain countries

- They are punctual and responsible, if an appointment is agreed upon there is no need for confirmation.
- A chivalrous treatment is usually given to women
- As for non-verbal communication, depending on the interlocutor, they might gesticulate a lot or not much. A direct and intense gaze is a sign of honesty and openness.
- Be direct. The reason for the visit, objectives, who's who must be explained in a brief but accurate manner. Too much rhetoric may backfire.

- The professional relationship is cold. Personal aspects such as origin and family are not considered. Formality is always required.
- Decision making is assigned the person in charge, who is not necessarily the boss.
- Although it is changing, the traditional management style is authoritarian, bureaucratic and compartmentalized.
- Due to the diversity of languages, it should be agreed in advance which one will be the official one. If both parties are not fluent in the same language, English is often used.

Conclusions

Mexico in the context of globalization, must develop efficient techniques to facilitate establishing lasting business relationships. So it is important for the study of international negotiations to not be overlooked as it is a very large topic in which the cultural aspect must be necessarily addressed to adapt to a new environment in a different country, without the need of the local country's culture causing any conflict because of the cultural shock.

Knowing the characteristics of our negotiating counterparties, the negotiation phases and the needs of the person you are dealing with is essential to determine if they fit the prototype of each country or region, because many times even if there are descriptions of most negotiators, many of them do not fit at all within such descriptions, which may hinder the negotiation.

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