International Business Negotiations

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When a British agent negotiates with a French supplier, he should try to conclude an agreement under French law because it looks after an agent more favorably than does British law. Japanese negotiators persuade others at the table not with threats and commands, but with questions, silence, changing the subject, recesses and delays. Bargaining strength can be conceptualized as the shifting net balance between the negotiator's strengths minus vulnerabilities and the counterpart's strengths minus vulnerabilities. These are only a few of the observations and recommendations in the edited book, International Business Negotiations.

That is one possible approach to this review. Now consider an alternative introduction in the next column.

In the early 1960s, negotiation began to receive scholarly attention as a potential field of study. Political scientists, economists, social psychologists, and labor relations experts each made seminal contributions (e.g., Ikle, 1964; Sawyer & Guetzkow, 1965; Schelling, 1960; Walton & McKersie, 1965). By the early 1970s, more than 1000 empirical studies had been done in social psychology alone (see Rubin & Brown, 1975). Since then, that is, for some 25 years, there has been a recognizable field of negotiation. Scholars from different disciplines have exchanged ideas and enriched the general fund of knowledge about negotiation, but they have also developed, at different rates, subfields such as business negotiation, diplomatic negotiation, and international business negotiation. The editors of International Business Negotiations (p. xii) write that their subfield has been relatively neglected, however, and without a book that provides comprehensive coverage.

Faced with both introductions to this review, you probably find one more appealing. Other readers will be drawn to the other, so that neither introduction can lay claim to being the best-suited for every reader. In the same vein, international negotiators who are effective are effective in part because of their ability to relate to a counterpart appropriately and to shape a relationship as needed. Some individuals prefer the specific and concrete; others favor the developmental or conceptual – the "big picture."

This lesson is one of the most valuable in the book for me. It is a reminder really, but valuable nonetheless. It took hold directly and indirectly: Directly, through the passages written specifically about cross-cultural communication and persuasion; and indirectly, but more forcefully, in the chapters written by European authors. They often positioned, analyzed, and discussed topics differently from typical North American academic writing on the subject. Their implicit perspectives challenged my expectations as a reader; in short, they were frame-bending and breaking. There are other contributions made by this book, but before delving into them, let us look at the book as a whole.

Its ambitious purpose, according to editors Ghauri and Usunier is to increase knowledge and
effectiveness (skills) about international business negotiations as a whole (p. xii). There are 4 major parts to the book, each consisting of 4 to 5 chapters. The parts address general considerations, culture, particular types of business deals (agreements), and regional/national distinctions.

In Part I (general), Ghauri begins the volume by describing his "overall framework" of key variables for business negotiation. They are grouped as background factors (e.g., objectives, environment), process (subdivided into stages, cultural dimensions, strategic dimensions), and atmosphere (e.g., conflict/cooperation, expectations). The next two chapters (by Kale and by Dupont) explain the conceptual connections between a negotiator's national culture, organizational culture, and personality, and survey various negotiation models and strategies. In the last chapter, Graham illustrates the misunderstandings and missteps caused by cultural differences, and summarizes some results of his experimental studies in 16 countries.

Part II (culture) presents the subject as a whole and specifically covers values, communication, time, and atmosphere. Co-editor Usunier provides an overview of cultural aspects of negotiation and includes interesting ideas on credibility and different forms of argument. In the next chapter, he and Hofstede relate Hofstede's classic study of national work-related values to negotiating styles. For example, the two authors expect negotiators from high uncertainty avoidance cultures to prefer highly structured, ritualistic procedures and to distrust counterparts who show unfamiliar behavior. In the chapter on communication, Schuster and Copeland point out the need for some overlap in negotiators' "fields of experience," characterize 6 cultural groupings on the basis of attitudes toward time, tasks, and relationships (e.g., Mediterranean European), and describe these groups' tendencies in areas of communication such as disclosure and social topics. Usunier's chapter on time discusses various cultures' conceptualizations and practices (e.g., Japanese makimono time), all of which give pause to the reader who assumes that a linear, past- present-future orientation is universal or self-evident. Finally, Ghauri explicates the concept of negotiating "atmosphere," which comprises variables ranging from parties' perceptions of each other's behavior to seating arrangements.

Part III (business deals) is, in my view, the most valuable of the 4 parts of the book because it juxtaposes, like no other book on the subject (cf. Hearn, 1987), the substantive domains and different issues involved in major types of business deals. Moreover, all 5 chapters herein are written from European perspectives. The first chapter (McCall) focuses on negotiating sales and offers insights as detailed as the nuances and connotations of selected verbal expressions to differences in national laws and the particulars of agency distributorship agreements. The second chapter (Parker) addresses the technical and legal aspects of patent and know-how licensing. The third chapter (Urban), on international joint ventures, lays out partners' various possible motives, different possible legal entities (e.g., GmbH versus AG), and conflict resolution and withdrawal. With respect to project negotiations, the fourth chapter (Cova, Nazet & Salle) underscores the importance of a supplier's network ("milieu") then elaborates on the phases of these negotiations and the orchestrating role of the project development manager. The fifth and last chapter (de Beaufort & Lempereur) maps out many aspects of mergers and acquisitions, including the drawbacks of a hostile takeover, types of information-gathering and audits (e.g., financial, commercial, legal, social), and specific legal and tax regulations for companies in each of the 15 European Union member countries.

Finally, Part IV (regional/national distinctions) shifts focus to negotiations involving Mexico, Eastern and Central Europe, Japan, and East Asia. The first chapter (Weiss) is a case study of IBM Corporation's negotiations with the Government of Mexico for approval, in the mid-1980s, of an investment to set up a microcomputer plant. For Central Europe and Russia, Ghauri and Usunier themselves describe general economic conditions and negotiating patterns (e.g., high initial demands, "argumentative" discussions, high degree of rationality) and some national distinctions. The next chapter (Graham & Sano) discusses differences between Japanese and American behavior in each of four phases of negotiation. Tung's chapter on East Asia distinguishes between Chinese, Japanese, and Korean practices. Usunier and Ghauri conclude the book with general guidelines on preparation, process management, and ethics.
With such scope, that is, in covering general, cultural, substantive business, and regional/national distinctions in one volume, this book has no parallel that I am aware of in the English language literature on international business negotiation. Most of these books, which began proliferating in the early 1990s, are "how to" books that concentrate primarily, if not exclusively, on cultural factors and contain "briefings" for a number of countries (e.g., Foster, 1992; Moran & Stripp, 1991). A few works address international business negotiation as a whole, albeit pragmatically rather than empirically (e.g., Posses, 1978; Salacuse, 1991) or focus on one technical dimension such as law (e.g., Silkenat & Aresty, 1994). The existing books that bridge research and practice as Ghauri and Usunier have sought to do tend to concern only one country (e.g., Graham & Sano, 1989; Pye, 1992). The closest parallel to their book probably lies outside business, in an edited work on international negotiation in general (Kremenyuk, 1991).

Thus, from a critical standpoint, I appreciate the range of topics selected for International Business Negotiations. By addressing not only general aspects of negotiation but also the substantive differences between particular business transactions, and not only broad cultural considerations but also regional and national distinctions, the editors have provided us with an important set of perspectives and rich source of information. There are gems of fact and insight throughout the book; my copy is well-marked.

On balance, the organization of the book by chapter is not clear or coherent for the cover-to-cover reader. This is common in edited books, to be sure, but this book expressly promises a "comprehensive overview" (p. xii) of a body of knowledge. Chapter 1 presents a 3-element framework for negotiation (background, process, atmosphere); yet, with few exceptions, the remaining 18 chapters are not explicitly related to it. In the same vein, the flow from chapter to chapter, especially in Parts I, II and IV, is not smooth or apparent.

In their own right, the individual chapters vary considerably in quality and content. (Again, this id not unique to this edited book, although that does not keep a reader from wishing other-wise.) The level of presentation in some chapters is basic and elementary, whereas in others, it is technical and sophisticated. A few chapters offer significant discussions of new topics or topics that have been largely ignored to date (e.g., time), while several others simply describe, without additional input, ideas or research results well-known in the literature.

As a reader already familiar with existing research and practitioner literature, I looked to this book to pull together and organize current knowledge and advice and then to recommend how, as the editors put it, to "increase" it. That would have been more effectively accomplished in my view with the inclusion of many more cases and "illustrative examples" (p. xiii) of real-world negotiations throughout the book, greater reference to the considerable number of empirical studies on the subject (e.g., those reviewed in Weiss, 1996), commentary at the beginning and end of the major parts of the book, and explicitly framed recommendations or managerial implications in the chapters on business deals (as done in a few other chapters). I would also have seen greater value in the book if the editors had suggested directions for future research.

Who will benefit most from this book? Students, business personnel who are beginning to venture abroad and are interested in specific chapter headings, and researchers new to the field or well-established but branching out into other facets of international business negotiation. For the classroom, the book can be suggested as a supplementary reference or assigned in parts, with some chapters accessible even to undergraduate business students, and others more appropriate for the MBA level.

*International Business Negotiations* is the first book in its field to attempt to fill an important-and
large - need in existing literature. Like most edited books, it has strengths and weaknesses. Editors Ghauri and Usunier have done the field a real service in covering an admirable amount of ground with perspectives that will benefit many readers.

References


