TORYS

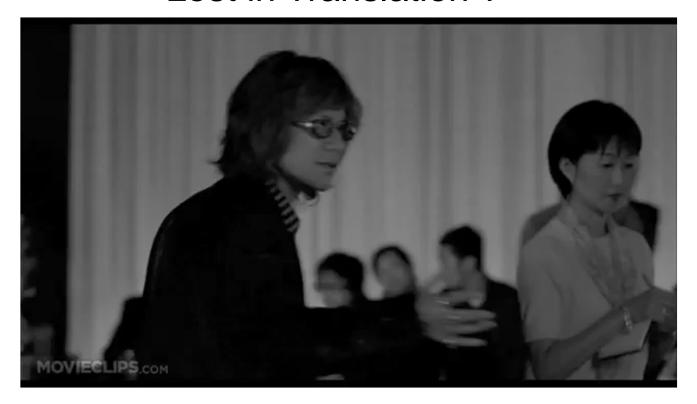
Cultural Nuances of International Negotiation

Source: The ABA Guide to International Business Negotiations (3rd Edition, 2009). Chapter 7

Gas Processing Association Canada Petroleum Joint Venture Association **20**th **Annual Joint Conference**

Tony Cioni October 23, 2013 Introduction

Lost in Translation?



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- <u>L</u>anguage
- <u>Environment and technology</u>
- Social organization
- <u>C</u>ontexting
- <u>A</u>uthority conception
- Non-verbal behavior
- <u>Temporal conception</u>

International Business Communication, David Victor (1992)

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Language

- Biggest barrier to understanding, even if a common working language is present
- Words can denote concepts lacking in the other language
- Use of other party's native language

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Environment and Technology

- Location of negotiation (Boardroom or office, microphones, white boards, etc.) (formal vs. informal)
- Access to communication technology (telephone/internet) may affect:
 - negotiator's access to information
 - negotiator's ability to caucus with client
 - timing of response



- Social Organization
 - Common institutions/collective activities shared by the members of a culture:
 - family or friendship ties
 - tribal/ethnic ties
 - education
 - class
 - perception of lawyers
 - gender differences

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"Contexting"

- Measure of directness of the negotiation.
- Are statements explicitly explained or implied from the context?

Face Saving

- Preserving prestige/outward dignity
- May be more important that the negotiating position itself



	High Context	Low Context
Reliance of Verbal Communication	Low	High
Reliance on Non-Verbal Communication	Low	High
View of Silence	Respectful	Anxiety Producing
Communication Style	Indirect Inferential	Direct Explicit
View of Directness	Uncivil/Rude	Honest/Inoffensive
View of Indirectness	Cordial/Considerate	Evasive/Untrustworthy

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Authority Conception

- How much authority does the negotiator have?
- Connection with face saving
- Token appearances by senior leadership
- Is the boardroom where the agreement is negotiated OR where pre-agreed principles are tabled?

Non-Verbal Behaviour

- body movement/facial gestures
- eye movement/eye contact
- touching (!)
- tone of voice
- silence
- dress/grooming

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Conception of Time

- Inflexible (schedules kept)
- Flexible (Your doctor's office!)
- Inherent disadvantage when the inflexible meets the flexible

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