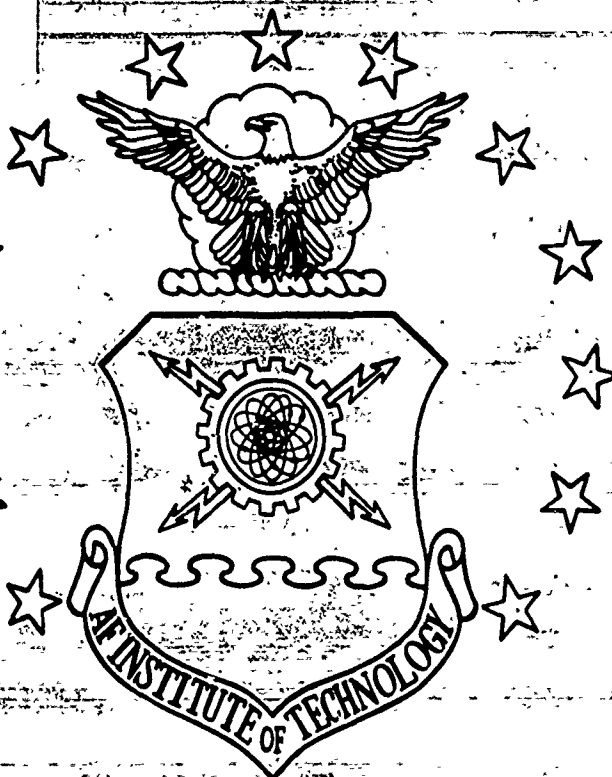


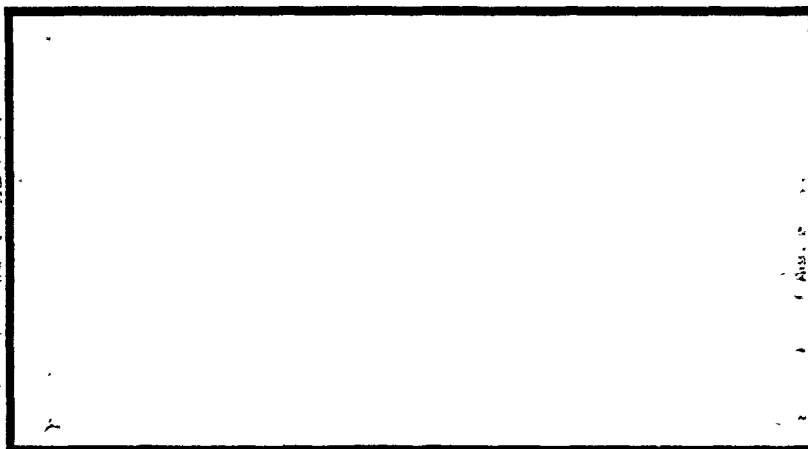
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CULTURAL DIMENSIONS  
OF INTERNATIONAL BUSINESS

THESIS

Anthony L. Amadeo  
Captain, USAF

AFIT/GCM/LSY/91S-1

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CULTURAL DIMENSIONS  
OF INTERNATIONAL BUSINESS

THESIS

Presented to the Faculty  
of the School of Systems and Logistics  
of the Air Force Institute of Technology  
Air University  
In Partial Fulfillment of the  
Requirements for the Degree of  
Master of Science in Contracting Management

Anthony L. Amadeo, B.S.  
Captain, USAF

September 1991

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Abstract

→ The purpose of this study was to identify cultural factors which impede international business in private and public programs, and emphasize the effects of these cultural factors in the international environment. The study emphasized the areas of international program management and negotiations. The study was designed to be an informative guide which program management and contracting professionals could use to increase awareness concerning cultural differences and the barriers presented by them. The study also identified lessons learned to effectively deal with these cultural barriers. ↗

## CULTURAL DIMENSIONS OF INTERNATIONAL BUSINESS

### I. Introduction

#### Chapter Overview

This introductory chapter begins with a brief discussion of the general issue of the study followed by the specific problem statement, research objectives, scope of the research and definitions of international terms. The chapter concludes with an overview of the remainder of the thesis.

#### General Issue

In the 1990's, the defense and commercial marketplaces will become increasingly international. The United States is moving from a "national to a world economy," states John Naisbett in his book, Megatrends (24:55). This move toward an international outlook includes all segments of both public and private sectors. Decreasing defense budgets and increasing weapons costs have made international cooperative programs (ICPs) essential to a successful national defense. These international programs in the public sector reduce cost and risk by coordinating research, development and production among allies. Additionally, these programs can improve standardization, increase interoperability, create good will and improve



ties with foreign countries. In the private sector, almost a third of U.S. corporate profits are made in the international marketplace (8:xv). In a 1981 congressional study of U.S. industrial competitiveness, the Office of Technology Assessment reported that "where a global market exists, firms operating on a worldwide basis may have advantages over those that restrict themselves to a domestic market, even one as large as that of the United States" (8:xv). This statement applies to the public sector as well as private business in today's competitive marketplace.

The signs are unmistakable. There is a definite trend toward an international marketplace and the United States is not keeping pace. Joseph D. O'Connell, in a speech delivered at Hood College, states:

There is ample evidence that the United States today faces a 'knowledge gap,' just as we faced a 'missile gap' in the 1960s. I refer not to our knowledge of technology or science or economics...Rather, I am talking about our knowledge of the now shrunken world and our competence to deal with it. (25:570)

The importance of "going international" in both public and private programs cannot be overstated. Consider the following international trends in both the public and private sectors:

- In 1990, the U.S. share of the weapons market rose to 40 percent.
- The U.S. has provided more than \$128 billion in weapons and military assistance to more than 125 of the world's 169 countries in the last decade.

- U.S. involvement in international military cooperative projects has grown over 3,000 percent since World War II.
- 80 percent of American industry now faces international competition.
- Every billion dollar's worth of exports creates about 25,000 new jobs.
- One out of every six manufacturing jobs is directly dependent on foreign trade. (8:xv-xxiii;32:7A;12:2)

Although current trends point toward an international marketplace, the following evidence suggests that the U.S. is lagging behind:

- American share of world exports declined from 15.4 percent in 1970 to below 12 percent in 1984.
- Foreigners now own such American symbols as Howard Johnson's, Baskin-Robbins Ice Cream, Saks Fifth Avenue, Alka-Seltzer, Libby, and Paul Masson wines.
- America's fourth largest exporter is a Japanese company.
- Only 3.4 percent of MBAs major in international business.
- 61 percent of business schools offer no international courses (8:xv-xxiii).

Jeswald Salacuse, in his article entitled, "Making Deals in Strange Places: A Beginner's Guide to International Business Negotiations," identifies two false assumptions that American business men make concerning international business:

Most economic commentators take international deal-making for granted, apparently on the assumption that if the right policies and structures are in place, business among nations will automatically follow...A second unstated assumption underlies much of the current talk about competitiveness and the need to "go international" as a solution to U.S. economic problems--that American corporations, so skillful at what they do domestically, only have to do the

same things outside our borders to succeed internationally. (29:5)

These false assumptions form the basis of the more complicated aspects of the international environment. The more intricate nature of international business transactions offers an exceptional challenge to both the military and civilian program manager. Salacuse states:

...that international business transactions, as a group, are shaped by certain basic factors that are not present in the ordinary domestic business deal; and that these factors both give international transactions, of whatever type, a conceptual unity, while at the same time differentiating them sharply from ordinary U.S. domestic dealings. (29:5)

Salacuse identifies six basic constraints that condition international business: 1) political and legal pluralism; 2) international monetary factors; 3) the role of governments and bureaucracies; 4) instability and sudden change; 5) ideological diversity; and 6) cultural differences (29:6).

Each country that participates in an international program has its own government, legal system, culture, customs, language, and business practices. In many cases, success abroad depends upon a cross-cultural awareness of these differences. Therefore, this study further explores Salacuse's sixth constraint on doing business in the international environment, cultural differences.

### Research Objectives

This thesis had two major research objectives:

- 1) Identify cultural factors which impede the negotiation and management of international programs in the private and public sectors, and
- 2) Identify solutions for effectively coping with these factors.

### Definitions

The following international terms are defined, and will provide a common frame of reference for the remainder of this thesis:

MEMORANDUM OF UNDERSTANDING - A written arrangement or understanding between governments and/or international agencies, setting forth the terms under which they will cooperate in the performance of certain work such as research, development, production, or utilization. The MOU usually sets down, in broad terms, their objectives of the program, the work to be performed by each participant and its financing, the rights to technical data and patents to be acquired, and other necessary elements concerned with the administration and performance of the program.

INTERNATIONAL COOPERATIVE PROGRAMS (ICPs) - The nonrepetitive transfer of technology across international boundaries among collaborating organizations. For this research, ICPs include codevelopment, cooperative research and development, and coproduction projects as defined below.

CODEVELOPMENT - Development of a system by two or more nations in which the costs of development as well as the design effort are shared.

COOPERATIVE RESEARCH AND DEVELOPMENT - Any method by which governments cooperate to make better use of their collective research and development (R&D) resources to include technical information exchange, harmonizing of requirements, codevelopment, interdependent research and development, and agreement on standards.

COPRODUCTION - Any program whereby a government, international organization, or designated commercial producer acquires the technical information and know-how to manufacture or assemble defense equipment or components developed by another country.

FOREIGN MILITARY SALES - A form of world wide U.S. security assistance that requires foreign recipients of U.S. defense articles/services to provide reimbursement in accordance with established procedures.

LICENSED PRODUCTION - Involves agreement by U.S. commercial firms with international organizations, foreign governments, or foreign commercial firms for the production of specified items. (11:14-16,194)

### Thesis Overview

International programs in both the private and public sectors have a new found importance. Therefore, program managers and contracting professionals must become informed concerning differing cultural issues in the international environment. Consequently, this thesis provides data concerning the cultural dimension of international business. In several cultures, how business is conducted is as important as what is actually accomplished. Therefore, the business relationship in the international arena takes on a greater importance. Although private and public programs differ significantly in content, the relationships that must be built between individuals is much the same. This thesis emphasizes the building of relationships, and addresses international business with this similarity as a basis.

Chapter 2 provides pertinent background information through a comprehensive literature review. The main emphasis of the chapter is a discussion of the dimensions of business that are potentially affected by cultural factors. Chapter 3 describes the methodology, and Chapter 4 describes and analyzes the research findings. Chapter 5 provides conclusions and recommendations.

## II. Literature Review

### Chapter Overview

After an introduction, this chapter first defines culture and then identifies business-related dimensions of culture. Finally, the main emphasis of the chapter focuses on potential cultural barriers to successful international programs. These factors are divided into two areas: corporate culture and social etiquette.

### Introduction

Given the trends and complexities of international business, it becomes increasingly important to understand how a nations' culture affects how business is conducted. Cross-cultural mistakes in the international environment occur every day, and often cost U.S. firms and the U.S. military multimillion-dollar contracts and increased tensions among countries. Why do so many American representatives fail overseas?

In the international environment, the problem may not be technical inability, unreliable products, or even differing international laws. In many cases, the problem stems from simple ignorance of international culture and its impacts. This lack of international knowledge is imbedded deep in Americans desire to "avoid foreign entanglements" of any type (25:571). In his speech, O'Connell cited the following example: "Former

representative H.R. Gross of Iowa liked to say that he had never traveled abroad. His constituents evidently approved; they returned him to the House of Representatives 13 times" (25:571).

This lack of basic international knowledge coupled with reluctance to learn presents several problems to Americans conducting business overseas. Every nation approaches business transactions with different styles, techniques and attitudes. These individual approaches are affected by the country's geographic location, language, customs, history and culture. Although it is impossible to characterize all international, or for that matter, all American or Japanese business with one set of simple characteristics, it is valuable to recognize basic cultural differences before venturing into international transactions. It is also valuable to the international business person to be aware of potential cultural barriers to success which predecessors have encountered. This awareness will result in better preparation, better understanding of international counterparts, and may improve the chances for successful international programs.

#### Culture Defined

In the international environment, the important concept of knowing a business counterpart is greatly complicated by cultural differences. Before these cultural



differences can be properly examined, it is appropriate to define culture. Richard Hodgetts, Professor of Business at Florida International University, defines culture in the following manner:

...acquired knowledge that people use to interpret experience and to generate social behavior...this knowledge forms values, creates attitudes, and influences behavior. Culture can affect technology transfer, managerial attitudes, managerial ideology, and even business-government relations. Perhaps most important, culture affects how people think and behave. (17:35)

The effects of culture on individual behavior during business transactions forms the basis of this research. Michael Howard, Regius Professor of Modern History at Oxford University, has the following comments concerning Americans and culture:

The isolation of the United States for a century and a half after their independence, the lack of need to interact with equally powerful but culturally diverse neighbors, has resulted in the lack of a tradition in the conduct of foreign policy. But this isolation has had a broader cultural impact as well. God knows that the record of the States of Europe provides a model of how not to conduct international relations but at least there has always been, among European governments and peoples, a constant awareness of the problem; that there were foreigners with whom one had constantly to interact, who looked at matters in a different way and whose language one had to learn if one was to cope with them effectively. (18:558)

In Howard's speech delivered at Washington University, he continues by stating that "international relations is about dealing with foreigners; people with different cultural backgrounds and perceptions encapsulated in diverse

languages" (18:558). American isolationism and cultural impacts on behavior have profound effects on international business. The statement concerning Americans isolating themselves indicates a lack of knowledge or understanding of other cultures. This lack of understanding often results in ineffective international business practices.

David Aviel's article, "Cultural Barriers to International Transactions," provides an excellent review of cultural impacts on international transactions. Aviel defines culture as a "way of life, the sum of one's philosophy, beliefs, norms, values, morals, habits, customs, art, and literature" (1:5). Aviel divides culture into visible items such as dress, language, food, gestures and manners, and those which are less visible such as beliefs, norms, values and attitudes (1:5). While the visible items are definitely barriers to successful international business, it is much more difficult to understand the effects of the less visible items. This thesis examines both the visible cultural barriers such as language, gestures and manners and the less visible. Aviel's article discusses how culture influences attitudes, priorities and behavior and the effects of these influences in business situations. Specific examples of areas affected by culture include attitudes towards family, friends, wealth, status, space, time, priorities, and gifts (1:7-13).

Robert Doktor, in his article, 'Asian and American CEOs: A Comparative Study,' agrees with Aviel's definition of culture by stating that culture is more than the "by-products" or visible items (9:47). Doktor states that culture is a mental state which influences workers' beliefs and attitudes towards their jobs. Doktor uses the example of the Japanese "perception of Japan as one organic entity" (9:49). This cultural perception influences employees to be dedicated to the corporation above all other loyalties (9:49).

Geert Hofstede surveyed 116,000 respondents from over seventy countries in an attempt to explain culture and its impact on behavior (17:46). Hofstede defined four dimensions of culture to help explain how people act:

- 1) Power Distance - the extent to which less powerful members of institutions and organizations accept that power is distributed unequally. Countries in which people blindly obey the orders of their superiors have high power distance. Examples would include Mexico, South Korea, and India.
- 2) Uncertainty Avoidance - the extent to which people feel threatened by ambiguous situations, and have created beliefs and institutions that try to avoid these. Countries populated with people that do not like uncertainty tend to have a high need for security and have a strong belief in experts and their knowledge. Examples would include Germany, Japan, and Spain.
- 3) Individualism - the tendency of people to look after themselves and their immediate family only. Collectivism is the other end of the scale. Hofstede has found that wealthy countries have higher individualism scores, and poorer countries have higher collectivism scores. Examples of high individualism include United States, Canada, Australia, Denmark, and Sweden.

- 4) Masculinity - a situation in which the dominant values in society are success, money, and things. Cultures with a high masculinity index tend to favor large-scale enterprises, and economic growth is seen as more important than conservation of the environment. An example of a country with a high masculinity index is Japan. (17:46-51)

Culture is a difficult and complex concept to define. It is even more difficult to understand and to quantitatively assess its impact on international business. For this study, the important fact is that an individual's culture affects behavior in many ways. Therefore, it is important to recognize these individual behavioral impacts when conducting international business.

American Culture. An effective method to examine cultural effects on business behavior is to provide specific examples. This discussion will analyze differences between American and Japanese culture and its impacts on business behavior. Before discussing Japanese culture, it is important to first examine American culture. Neil Chesanow, in his book, The World-Class Executive, identifies several factors which separate Americans from other cultures (Table 1). While many of these traits helped America dominate the world market after War World II, they are also the same traits which conflict with other cultures and make international programs such a challenge in today's more competitive marketplace.

TABLE 1  
AMERICAN CHARACTERISTICS (7:11-16)

TITLE	CHARACTERISTICS
English	Few Americans can speak a foreign language; No need to learn another language since they already know ours
Pressure	Americans are aggressive, dynamic, high-pressure businesspeople
Directness	Don't beat around the bush; get to the point; directness is efficient and polite
Time	Can't afford to be indirect; time is money
Deadlines	Miss a deadline and you may be "dead;" intense sense of competitiveness
People and Profits	Profits matter more in business; it's the deal that matters most; getting personally acquainted wastes time, which is money; socialization occurs after, not before
Lawyers and Contracts	Lawyers and contracts are central; we have lawyers and contracts to keep strangers honest
Job Mobility	Fastest, most efficient road to success is to change jobs; client-contact relationships are impermanent; buyer-seller relationship that is important, not the one between individual representatives
Obsession	Always talking shop; company responsibilities come before all else, even family and friends
Traditions	Only observe traditions when they don't interfere with business; if another method does a better job, Americans promptly change; efficiency and progress more important than preserving outmoded customs
Informality	Don't stand on ceremony; warm, casual, informal, and friendly; automatically look over innocent faux pas; assume informality fits anywhere
Promises	Believed that it is universally accepted that human beings are fallible and promises will be broken

The majority of the characteristics in Table 1 describe the way Americans do things, thus describing what Americans think is the right way to act. These characteristics are a result of American culture and subsequently affect beliefs, attitudes and ultimately, actions. It is also important to recognize that culture has the same affect on other nations. Thus, these cultural differences are the source of breakdowns in communication and perceptual misunderstandings.

Japanese Culture. In an attempt to demonstrate the effects of culture on business activity, this section examines the Japanese culture in comparison to American culture. Lennie Copeland and Lewis Griggs in their book, Going International: How to Make Friends and Deal Effectively in the Global Marketplace, identify several differences that seem to separate Americans from other cultures. These differences, as compared to the Japanese, are outlined in Table 2. David L. James reinforces Copeland and Griggs' points in his article, "The Art of the Deal (Japan-Style)." James explains cultural impacts on the Japanese by defining four characteristics central to the Japanese way of business:

"In order to forge lasting business relationships in Japan, Americans need to accommodate four principal cultural characteristics of the Japanese that are uniquely different from our own: a need for harmony in all aspects of life; an almost obsessive attention to detail; a commitment to the long term; and decision making largely by consensus" (20:93).

TABLE 2

## AMERICAN DIFFERENCES (8:8-17)

DIFFERENCES	AMERICAN CHARACTERISTICS	JAPANESE CHARACTERISTICS
Problems of Pace	Always on the go; work by schedules; race to beat deadlines	Delay means something different; invest much research and analysis in a decision
Problems of Conduct	More concerned with hard measures and objective facts; more goal-oriented than method-conscious	Prescribed form and manner for every familiar situation; unforeseen situations can cause intense embarrassment
Problems of Communication	Speak directly and openly; uncomfortable with silence; need contracts to be specific and in writing	More concerned with relationship than contracts; concealment
Problems of Work Attitudes	Self-determination; hard work will be rewarded; direct; efficient; purposeful	Do not necessarily identify with work; cooperation rather than competition
Problems of Relationships	Individualism; independence; self-reliance	Group; relationships
Problems in Use of Space	Indicates status; much like time, should be compartmentalized and used; arm's length	Open offices; smaller places
Problems of Power	Leadership; take charge attitude; fairness; everybody treated the same	Hierarchical relationships

While the importance of understanding Japanese culture or the culture of any international counterpart cannot be overemphasized, it is just as important to recognize that business relationships are conducted by individuals. The culture and customs may form a foundation for attitudes, values and work habits, but individual experiences and differences may adjust these basic behavioral characteristics. Just as there are many different American management or negotiating styles, there are also many Japanese styles or techniques. In the literature, there are also differing opinions concerning Japanese culture and its impacts on management styles and techniques. In contrast to several other authors, Hodgetts presents several differing opinions concerning the impacts of Japanese culture:

1. Many people believe that the Japanese are hardworking by nature. However, recent research shows that there is little difference in productivity among workers in Japanese plants throughout the world. Moreover, many of the differences that do exist are a result of factors such as subcontracting, vendors, and labor regulation. In addition, research among workers at Japanese municipal offices and the national railways show that many of these workers are not industrious at all.
2. Most Japanese do not have lifelong employment. In fact, only about 30% do, and these work for the large corporations. In addition, because of compulsory retirement, workers must leave their jobs between the ages of 55 to 60.
3. Many Japanese managers are not participative managers, they are autocratic. A recent study found that almost half of all Japanese executives indicated that they autocratically set annual



goals for their division. Only 32% of U.S. managers follow this practice.

4. Young Japanese college graduates entering the work force express a desire to stay with a firm for a lifetime and say they are willing to work hard in order to get ahead. After only a few years on the job, however, these attitudes change, and only about one-third feel this way. In short, company loyalty may not be as high as commonly believed.

5. Most Japanese do not work long hours because they enjoy work. The most common reason is that their family needs the money for living expenses. A second common reason is that the boss works long hours, and the staff are afraid to leave the office until the manager does. (17:15)

Once again, Hodgetts demonstrates the central theme of the difficulty in defining and explaining cultural impacts on an individual's behavior. For the purposes of this research, the important point is to remember that culture and customs do indeed impact attitudes, values and ultimately, behavior. Additionally, it must be understood that cultural factors can significantly alter what Americans consider "normal" business behavior. During international business transactions, culture and its subsequent impacts cannot be ignored, but should be recognized and understood. While culturally based national characteristics are important and must not be ignored, they cannot be blindly followed as a surefire and inviolate roadmap for success. As stated earlier, individual differences do exist and may be encountered.

### Cultural Barriers to Successful International Programs

As seen in the previous sections, culture significantly impacts individual behavior. Subsequently, these effects on behavior may present potential barriers to successful international programs. These cultural barriers have been divided into two areas. The first area, corporate culture, addresses the effects of culture on negotiations, management practices, and communication. The second area, business and social etiquette, addresses the more subtle area of customs and manners in both the business and social environments.

Corporate Culture. Corporate culture can be defined as a company's shared outlook that determines behavior and actions (15:36). This section examines corporate culture as divided into sections concerned with international negotiations, management practices, and communication. The negotiation section examines the effects of culture on the negotiation process and international negotiation techniques. The management practices section discusses the impacts of culture on individual management techniques and decisions. This section specifically examines the decision making process and the use of lawyers and contracts. The concepts presented in the last section, communication, are intertwined throughout this research. Individual cultures significantly impact the communication process, thus

creating unique problems in the international business environment.

Negotiations. One of the most challenging business transactions is the negotiations process. Negotiation is the problem-solving process involving communication and bargaining by two or more parties, each with its own perspective and objectives, attempting to reach a satisfactory agreement on a matter of mutual concern. A simpler definition of negotiations is "a process in which two or more entities come together to reach an agreement of mutual benefit" (22:14). Whatever the definition, in the international environment, the communication process becomes much more complicated. Additionally, the perspectives and objectives of each party are often much further apart and, at times, incompatible. The information presented in this literature review focuses on the communication part of the process and examines the cultural perspectives of the parties. The discussion centers on interpersonal relationships, afterall, the word *negotiations* was originally borrowed from the Old French *negociacion*, a dealing with people (3:909).

This discussion does not distinguish between differing types of negotiations, but emphasizes cultural factors which impede all types of international negotiations. The discussion assumes a basic understanding of negotiating processes, techniques, strategies and tactics.

Not only are negotiations one of the most challenging business transactions, they can also be the most important. Almost all business transactions begin with some form of negotiation (21:59). In the international scene, negotiations can provide a first and lasting impression of the future business relationship. This beginning step will either form the foundation of a lasting relationship, or may result in the relationship never really beginning. "The ambitions and plans of corporate planners, marketers, and contractors are foiled when negotiators fail to win the required permissions, contracts or operational arrangements" (8:72). Generally, negotiations form the foundation of any business relationship, especially in international surroundings where first impressions can be lasting ones.

Negotiation Process. Each and every negotiation is different. They involve different issues, organizations, and individuals. However, certain steps or phases exist in all types of negotiations. Five basic phases that can be used in managing the negotiation process are outlined in Table 3: planning, interpersonal relationship building, exchanging task-related information, persuasion, and agreement (17:129-130). Bill Scott in his book, The Skills of Negotiating, also identifies five phases of negotiation (30:26). Scott lists the stages as exploration, bidding, bargaining, settling and ratifying.

TABLE 3

## STEPS OF THE NEGOTIATION PROCESS (17:129-130)

PHASE	COMMENTS
Planning	Planning starts with the negotiators identifying those objectives they would like to attain. Then they explore the possible options for reaching these objectives. Research shows that the greater the number of opinions, the greater the chances for successful negotiations. Next, consideration is given to areas of common ground between parties.
Interpersonal Relationship Building	The second phase of the negotiation process involves getting to know the people on the other side. This "feeling out" period is characterized by the desire to identify those who are reasonable and those who are not. In contrast to many other countries, Americans often give little attention to this phase; they want to get down to business immediately.
Exchanging Task-Related Information	In this part of the negotiation process, each group sets forth its position on the critical issues. These positions will often change later in the negotiations.
Persuasion	This step of negotiations is considered by many to be the most important. No side wants to give away more than it has to, but each side knows that without giving some concessions it is unlikely to reach a final agreement. The success of the persuasion step often depends on: 1) how well the parties understand each others' position 2) the ability of each to identify areas of similarity and differences, 3) the ability to create new options, and 4) the willingness to work toward a solution that allows all parties to walk away feeling that they have achieved their objectives.
Agreement	The final phase of negotiations is the granting of concessions and the hammering out of a final agreement.

Although the names and descriptions of the stages differ slightly among many authors, the basic negotiation process is very similar. In the international environment, although the process remains the same, it becomes even more challenging.

In many respects, a successful negotiation depends upon good communication and understanding between parties. Communication and understanding are critical parts of all phases of the process. During the planning phase, knowledge of the other party's goals and objectives, and even tactics, is essential in determining successful negotiation strategies and tactics of your own. In order to have a successful 'feeling out' period during the second phase of interpersonal relationship building, the negotiator must be able to read the other parties' verbal and nonverbal messages. This may be the phase which is affected the greatest by differing cultures and customs. Other cultures tend to place much more emphasis on this phase than U.S. businesspeople. During this phase, several cultures attempt to build a strong interpersonal relationship. Several authors contend that these personal relationships are much more important internationally. During the third phase, exchanging task-related information, the negotiator must be able to communicate ideas which are often technically based. During this phase, language differences can present a difficult

obstacle to overcome. A key to success during the persuasion phase is "how well the parties understand each others' position" (17:129). This can be extremely difficult without effective communication and an inability to appreciate the effects of culture on attitudes and beliefs. Agreement, the final phase, is a culmination of the previous steps. If a communication breakdown occurs during any of the previous phases, an agreement may be reached, but it will not necessarily be one that is mutually beneficial or lasting. Copeland states that "in international talks the negotiators are less likely to have a common frame of reference and value system; their perspectives are further apart" (8:73). To be successful, international negotiators require a knowledge of a negotiating counterpart's culture and how it affects individual strategies and techniques.

International Negotiation Techniques. In the international environment, a manager's negotiation skills and understanding of counterparts are truly tested. John Graham and Roy Herberger's article, "Negotiations Abroad--Don't Shoot from the Hip," suggests that "when it comes to bargaining overseas, the Old West style usually won't work" (14:160). The following statement summarizes the authors' philosophies concerning negotiations abroad:

Influenced by their frontier past, many American business people come to the negotiating table with a do-or-die attitude that often defeats their

purpose. They tend to 'shoot first; ask questions later.' But with the growing role of the United States in international trade, this naive attitude may cause them, instead of their adversaries, to bite the dust. By recognizing their own shortcomings and by learning more about other cultures and negotiating styles, Americans can improve their image and enhance their chances for success. (14:160)

Graham and Herberger discuss eleven key points essential for successful negotiations in other countries. Each point is in direct contrast to the typical American negotiation style as outlined by the authors:

1. Use team assistance wisely. Don't hesitate to include extra members on your team. Even if they add little to the discussion, their presence may make a difference.
2. The way to make foreign clients more comfortable is to follow their traditions and customs. American informality and egalitarian views are simply out of place in most countries in the world.
3. Ideally, U.S. negotiators should speak the local language, although in practice this is seldom possible. However, American representatives should recognize the conversational disadvantages when foreign executives use an interpreter even though they understand English. Even a rudimentary knowledge of key foreign terms or numbers may aid the American.
4. An important part of the preparations for any negotiation is the determination of authority limits--both theirs and yours. Not having the final say may be a useful strategy for maintaining the proper interpersonal relationship and harmony, particularly in international negotiations.
5. Since in many places in the world legal systems are not as dependable (as the U.S.), foreign executives invest much time in establishing personal relationships. Americans bargaining in foreign countries must be patient and plan to spend more time in non-task sounding.



6. Foreign executives seldom lay their cards on the table. Most foreign executives expect to spend more time negotiating and expect to make concessions. Adjust your initial offer accordingly.
7. Recognize that silence can be a much more powerful negotiating tool than good arguments. Let them break the silence.
8. Ask questions. Carefully feel for pressure points. If an impasse is reached, don't pressure. Suggest a recess or another meeting. Large concessions are not likely.
9. Avoid making concessions on any issue until the group has fully discussed all issues.
10. Recognize differences in what an agreement means across cultures. A signed contract does not mean the same thing in Tokyo, Rio, or Riyadh.
11. Flexibility is critical in cross-cultural negotiations. (14:166-167)

Franz Oppenheimer's article, "Notes on Podsnappery," agrees with several of these eleven points including 1) the differences in meaning of a contract; 2) the importance of flexibility; 3) the differences in legal systems and the role of lawyers; and 4) the attitudes towards secrecy (27:74-78). Additionally, Oppenheimer adds the point that "the negotiator must constantly be mindful that he can take no understanding of his purposes for granted" (27:75). The validity of Graham and Herberger's eleven points can be seen when examining the Japanese negotiating style. Several of these points apply directly to the basic Japanese style.

Nathaniel B. Thayer and Stephen E. Weiss state, "Japanese negotiators come from a culture that prizes quiet accommodation, emphasizes personal obligations, and avoids social conflict" (31:45). The key to understanding

Japanese negotiators, is to understand their commitment to conflict avoidance. Therefore, the Japanese will avoid formal negotiations. The Japanese will use fact-finding sessions or side sessions to actually conduct negotiations. During the formal negotiations, the Japanese will attempt to keep a good relationship by being cordial (31:54). Thayer and Weiss state the following concerning this avoidance of negotiations:

Japanese negotiators avoid negotiations because the art of understanding, empathizing, satisfying the concerns of other--all the while pursuing one's own interest--is regarded in Japanese society as a major political virtue. It even has a name. It's called *haragei*--the art of the belly. Hagglng is to be left to merchants, who are at the bottom of the traditional social order (31:55).

Table 4 presents basic differences in negotiating behavior between Japanese and United States officials identified by Thayer and Weiss.

According to Mark Zimmerman in his book How to Do Business with the Japanese, and Duane Olinger in his article "Contracting in Japan," there are five basic rules for successful negotiations in Japan. First, the Japanese will be suspicious of foreigners especially if accompanied by lawyers, therefore negotiators must create an atmosphere of trust. Second, similar to Thayer and Weiss, Zimmerman also says to avoid a hard sell since the Japanese dislike conflict. Third, negotiators must be mandated to speak for the company and make decisions on the spot. Fourth, once a

TABLE 4

## DIFFERENCES IN NEGOTIATING BEHAVIOR (30:65-66)

AMERICAN STYLE	JAPANESE STYLE
The first position is sometimes overstated to allow for retreat. Economic positions are often cast in harsh, challenging language.	The first position is rarely overstated, though sometimes fuzzy. Japanese like to regard their position as reasonable for both sides.
Final formulation of the first position is hidden. Revelation made at first negotiating session.	The Japanese position is usually leaked to some American before it is formally revealed.
Americans try to maintain secrecy over the course of the negotiations until the end of a negotiating session.	Japanese usually reveal the tenor and substance of the negotiations and sometimes the details as the negotiations go along.
Americans like to establish a principle and then search out a solution based on that principle.	Japanese like to talk about practical solutions, resolving matters case-by-case. They allow the solution to precede the principle.
The American tendency is to compromise too soon, particularly if Japanese negotiators recognize the American principle.	Japanese find compromise difficult. They often create a fictive principle or offer meaningless concessions.
Americans place great value on winning an argument.	Japanese try to stress areas of agreement.
Americans are adversarial.	Japanese try to avoid contention.
Americans cast negotiations in terms of victory/defeat.	Japanese negotiate to avoid failure.
Americans tend to conduct their business in the negotiating hall, though they are aware that activities outside can be important.	Japanese would like to conduct real negotiations away from the formal negotiations hall, using formal session to announce agreements reached elsewhere.
Americans see the negotiated solution as final and implementation naturally flowing therefrom.	Japanese see the negotiated solution as one more stage and implementation as a subject for further negotiations.

concession is made, the Japanese consider it as invariant. Finally, Zimmerman states that Americans are less concerned about relations with the Japanese community and the effects of the contract on the community (26:25). Four of the five rules agree with points in the previous articles discussed. However, Olinger, citing the studies of Zimmerman, states that "negotiators must be sure they are mandated to speak for the company. A corollary to this rule is, 'Don't send a boy to do a man's job'" (26:25). This contention disagrees with Graham. David Burt's article agrees with Zimmerman concerning the American team, but adds, "if possible, ensure that the head of the non-American team has the authority to reach agreement on behalf of his firm. In Japan, however, such an approach cannot be used; therefore, time must be allowed for the consensus process to function" (6:8).

Hodgetts identifies four broader criteria which are critical to effective negotiations with the Japanese:

- 1) prepare for negotiations by learning more about Japanese culture and the "right" ways to conduct discussions,
- 2) learn patience and sincerity, 3) develop a unique good or service, and 4) develop technical expertise since it is often viewed as a very important contribution and often helps win concessions with the Japanese (17:132). The study presented in this thesis emphasizes Hodgetts first

criteria, learning more about culture before entering into negotiations.

George Fields, in his book, From Bonsai to Levi's, describes the beginning of a typical negotiation with the Japanese (13:202). Fields states that the first thing Americans notice is the "imbalance in numbers." Generally, there are only a few Americans seated on one side, while the other side is lined with Japanese counterparts, including several "apprentice learners" who are there simply to observe and learn. Fields states that there is an exchange of business cards that can be a difficult task in itself since some titles are only "rough translations of equivalent American titles." Fields says a good technique is to organize the business cards in front of you in the order your counterparts are seated so that their names and positions can be identified more easily. Fields also identifies two key persons: 1) the *bucho*, who is a division head or above, will usually leave shortly into negotiations, and 2) the *kacho*, who is the key negotiator (13:205). The *kacho* is usually in his late thirties or early forties and has not yet made *bucho*, but is considered experienced. Therefore, "mid-thirties is a critical phase in the Japanese corporate career development, and your *kacho* is likely to be a tiger if he is in this age group" (13:205).

Each author has different rules, keys, or techniques for successful international negotiations. The contradictions and differences are due to disagreement about the definition of cultural differences and their inconsistent impact among differing nations. Additionally, cultural effects differ not only between countries, but also within regions of a country. It is not important to pattern an individual's negotiating technique after some other style, but to use individual strengths to one's advantage while being aware of other techniques or styles. This thesis emphasizes this awareness of other styles as impacted by culture. Additionally, each author stresses the importance of understanding negotiating counterparts and recognizing their different attitudes and values. Every culture has its own negotiating techniques and approaches, just as every individual does. "Simply put, in order to negotiate effectively in the international arena, it is necessary to understand how cultural differences between the parties affect the process" (17:132).

Management Practices. Just as culture impacts the negotiation process, culture and customs also form the foundation and can help explain the management practices of different countries. There are several areas where the culture of a society can directly affect management approaches and techniques:

- 1) Centralized versus decentralized decision making. In some societies, all important organizational decisions are made by top managers; in others these decisions are diffused throughout the enterprise, and middle- and lower-level managers actively participate in, and make, key decisions.
- 2) Safety versus risk. In some societies, organizational decision makers are risk averse and have great difficulty with conditions of uncertainty. In other societies, risk taking is encouraged, and decision making under uncertainty is common.
- 3) Individual versus group rewards. In some countries personnel who do outstanding work are given individual rewards in the form of bonuses and commissions. In other countries cultural norms require group rewards, and individual rewards are frowned upon.
- 4) High versus low organizational loyalty. In some societies people identify very strongly with their organization or employer, whereas in other societies people identify with their occupational group such as engineer or mechanic.
- 5) Cooperation versus competition. Some societies encourage cooperation between their people, and others encourage competition between their people.
- 6) Short-term versus long-term horizons. Some nations focus most heavily on short-term time horizons such as short-range goals of profit and efficiency, whereas others are more interested in long-range goals such as market share and technological development.
- 7) Stability versus innovation. The culture of some countries encourages stability and resistance to change; other countries put high value on innovation and change.
- 8) Informal versus formal procedures. In some societies much is accomplished through informal means. In other societies formal procedures are set forth and followed rigidly. (17:36-37)

Specific Japanese examples of such cultural effects are reviewed by Dr. Greg Boudreaux in his article, "Serving Japanese Industrial Loads: What Your Rural Electric Needs to Know." Dr. Boudreaux discusses ten cultural factors

that explain how Japanese business works and why it is successful (5). Table 5 is a summary of Boudreaux's points (5:27-36). While many of these business practices seem strange to American business men, they have been successful in Japanese society. However, this does not mean the same techniques will be successful with other cultures. However different a countries' management practices are, when dealing in the international environment, participants must recognize potential differences and attempt to manage them. For example, the following are six guidelines for dealing with Japanese business customs:

- 1) Always try to arrange for a formal introduction to any person or company with whom you want to do business. These introductions should come from someone whose position is at least as high as that of the person whom you want to meet or from someone who has done a favor for this person. Let the host pick the subjects to discuss. One topic to be avoided is World War II.
- 2) If in doubt, bring a translator along with you. (Author's note: It was learned through the course of this research the difference between a transiator and an interpreter. An interpreter is the proper term to be used in this instance.) For example, the head of Osaka's \$7 billion international airport project tells the story of a U.S. construction company president who became indignant when he discovered that the Japanese project head could not speak English. By the same token, you should not bring along your lawyer, because this implies a lack of trust.
- 3) Try for a thorough personalization of all business relationships. The Japanese trust those with whom they socialize and come to know more than they do those who simply are looking to do business. Accept after-hours invitations. However, a rollicking night out on the town will not necessarily lead to signing the contract to your advantage the next morning.



TABLE 5

## CAUSES OF JAPANESE SUCCESS (5:34-35)

CAUSAL FACTORS	CONSEQUENCES
Geography	The development of a management and social system adapted to a resource-poor world.
Culture and Group Orientation	Worker loyalty. Formation of effective work teams.
Search for Knowledge	Well trained and literate workers. Knowledgeable managers capable of understanding quantitative aspects of business management and the technological aspects of production.
Governmental Guidance	Cooperative approach to industrial policy and development. Government coordination of new information. Government support of joint efforts in new research areas.
Employee Recruitment and Development	Workers enter companies with loyalty and essential job skills. Loyalty is reinforced by the promotion system. Workers come to feel part of the 'company family.' Rotation to several jobs increases skill.
Corporate Philosophy	Unifies the company. Serves as focus for the recruitment process. Contributes to the sense of being part the company family.
Quality Control	Reinforce the group orientation. Increase sense of worker involvement. Reinforce the sense of quality as the major goal.
Product Development	Allows Japanese companies to take a more innovative approach to new product development.
Factory Efficiency	The Japanese emphasize steady, error-free production. The factory is run in a non-crisis atmosphere. Regular maintenance and cleaning is performed. Production can be more effectively planned and inventory reduced.

4) Do not deliver bad news in front of others, and, if possible, have your second-in-command handle this chore. Never cause Japanese managers to lose face by putting them in a positions of having to admit failure or say they do not know something which they should know professionally.

5) How business is done is often as important as the results. Concern for tradition, for example, is sometimes more important than concern for profit. Do not appeal solely to logic, for in Japan emotional considerations are often more important than facts.

6) The Japanese often express themselves in a vague and ambiguous manner in contrast to the specific language typically used by Americans. A Japanese who is too specific runs the risk of being viewed as rudely displaying superior knowledge. The Japanese avoid independent or individual action and prefer to make decisions based on group discussions and past precedent. The Japanese do not say no in public, which is why foreign business people often take away wrong impressions. (17:39)

Although these guidelines are broad, they provide good insight into the effects of culture on management practices. Throughout the literature, different authors provide similar guidelines for other cultures. In many instances, studying a foreign counterpart's culture can be extremely informative concerning specific management practices.

Decision Making. While many Americans approach decision making as an exact science, other countries often use a completely different style of decision making which can be frustrating. As noted earlier in Tables 1 and 2, American culture influences the decision making process. As compared with many international counterparts, Americans make quick factual decisions made

by an individual who has been delegated the authority. Much of this is based on the American emphasis on time, individuality and goal-orientation. In contrast, the Japanese place great importance on group decisions. The Japanese decision making process is called *ringi-seido*, or "request for decision system" (28:28). Decisions or suggestions are usually initiated at the middle to lower levels as a formal document called a *ringi-sho* which is routed laterally and upward for coordination (28:28). This process sometimes gives Americans an impression of no one being in charge and as a "waste of time." As a general rule, the Japanese will take much longer to make a decision, but once the decision is made, they will quickly implement it (28:28). At times, Americans seem to operate in the exact opposite manner.

As can be seen from the Japanese, every country does not make decisions the "right way" as seen by Americans. It is important to recognize these differences and the potential implications on doing day to day business or conducting negotiations. Patience and flexibility are two mandatory characteristics often heard in the international environment.

Lawyers and Contracts. Two more areas which can be significantly impacted by culture are the treatment and use of lawyers and contracts. Once again, as outlined in Tables 1 and 2, American ideas about the use of lawyers

and contracts are not always consistent with other countries. Americans generally require the use of contracts with every agreement in writing. If it is not in writing, then there is not an agreement. Also, lawyers are an accepted member of a business team and are often used as a means to resolve disagreements. In fact, lawyers are often very influential members of the U.S. negotiation process. This is usually not the case internationally. As stated earlier, much more time is spent building relationships in other countries in an attempt to reduce the importance of written contracts and lawyers. Agreements in other countries may range from a simple handshake to a formal document. In some cases, a verbal agreement can be more important than a contract. In some cultures, a contract is merely an indication of work that is intended to be completed (8:94). In Japan, going to a lawyer to reach an agreement often means the end of the relationship. The implication of bringing a lawyer to a business meeting is generally an implication of mistrust overseas. The significance of these two areas sheds some light on the importance of the next section. It is essential that both parties fully understand exactly what agreements are being made. In many cases, this must be accomplished without the use of complex contracts and lawyers.

Communications. Throughout this review of the literature, a recurring theme for successful international business has been good communication. It is perhaps also the most difficult task to accomplish internationally. Being able to understand an international counterpart plays an important role from initial negotiations through ongoing program management. American business people must not only understand their counterpart, but also must ensure that the counterpart understands the American's intentions.

Beside actual differences in the words of a language, the entire communication process may differ. These differences, if not understood, can cause an insurmountable obstacle. A good example of this communication breakdown is typified by a discussion of Japanese verbal and non-verbal communication barriers.

Verbal Communication. Perhaps the most obvious, and at times the largest, cultural barrier to overcome in international business is language differences. Very few people in the United States are fluent in a second language. The Perkins Commission indicated that only 8 percent of U.S. colleges and universities have a foreign language entrance requirement (25:571). James Perkins, chairman of the President's Commission on Foreign Language and International Studies, states that this "gross-national inadequacy in foreign languages" seriously impacts foreign affairs (25:571). Even though English is generally

accepted as the international business language, problems still occur. In his article, "Losing Something in the Translation," Ferdinand Mauser provides an excellent guide for Americans speaking English in the international environment (23:14). Mauser discusses seventeen pointers, summarized in Table 6, and concludes that foreigners can usually understand written English better than spoken (23:14,163).

A country's language is a direct result of its culture and can be more easily understood with some appreciation of that culture. While the Japanese language may be difficult to speak, understanding what a Japanese representative means is even more difficult. With the Japanese, effective communication is not understanding just words, but understanding Japanese culture. Thayer states the following:

As an interactive process, negotiation involves communication, and Japanese communication norms and practices differ sharply from those of American negotiators. Appropriateness is a paramount Japanese concern. Japanese always say what is appropriate for the occasion, but they do not expect to be held strictly to account for their words. (31:57)

The Japanese language presents even more difficulty due to its use and impreciseness. Thayer and Weiss also state the following:

Information comes not through the words but from the social context in which the words are uttered, from an understanding of what the speaker should be saying in contrast to what he is actually

TABLE 6  
POINTERS FOR AMERICANS (22:14,163-164)

1. Use standard English, avoiding slang and figures of speech. Expressions like "that rings a bell" and "proof of the pudding," are not only impossible to grasp but also difficult to look up in a reference work.
2. Choose a simple word or phrase whenever possible.
3. When speaking about business, use widely understood (if often more general) terms rather than American terms, such as "profits" instead of "earnings per share." Avoid jargon such as "blue chip."
4. Become familiar with the metric system so that in conversation you can convert measures like miles and pounds. Convert dollar figures into the local currency equivalents.
5. Use short sentences and limit ideas expressed in each sentence.
6. Be specific and illustrate your points when feasible.
7. Speak slowly, making sure to separate words. Don't drop endings.
8. Avoid long discourses; allow the conversation to go back and forth. A dialogue facilitates comprehension.
9. Tactfully interject questions occasionally to determine whether the foreigner comprehends your key points. Even when a person doesn't understand, to save face he often will say he does.
10. At the end of each phase of discussion, recap the essential items with an interjection such as, "Let me review the points ..."
11. When the other party seems to be momentarily pausing or groping for a way to express his thought, hear him out; don't take the conversational lead away from him.
12. On the other hand, reassure him from time to time that you understand him by repeating phrases, paraphrasing, or even nodding.
13. Display calmness and patience. He is probably very nervous in trying to cope with your language, and putting him at ease will enable him to understand and speak better.
14. No matter how poorly the foreigner speaks English, compliment him on his command of the language.
15. Without fail, express your regrets at not speaking the host's language. Express your gratitude for his effort to accommodate you.
16. If it is possible, provide in advance of the conversation or meeting a summary of any ideas, proposals, or vocabulary that the other party may find difficult to understand or discuss in English.
17. Take notes on, or record, your meetings and provide your foreign counterpart with a detailed report on it.

saying. The Japanese like to talk about *tatemae* and *honne*. This concept is not difficult for Americans. *Honne* is what one does. *Tatemae* is what one says. *Honne* is what one really thinks. *Tatemae* is what one says one thinks. The two words are part of any Japanese negotiator's lexicon, just as *principle* and *practice* are part of any U.S. negotiator's lexicon. The difficulty in Japan is that behind every *honne* is another *tatemae* and *honne*. (31:58)

Essentially every author that addresses international business discusses or mentions the hazards of language differences. Copeland and Griggs conclude their discussion concerning language by stating that "every time language barriers must be crossed, important nuances are lost and potential misunderstandings jeopardize business" (8:99).

Non-verbal Communication. Besides the actual verbal differences that can be an obstacle, non-verbal body language also presents problems for the international business person. The importance in understanding gestures and body language is cleverly presented by Roger Axtell, "Actions speak louder than words, and often say all the wrong things. Eye contact, hand gestures, touching, bowing--the inappropriate signal can signify disaster" (2:iii).

The Japanese culture presents several unique examples of body language and problems it presents. One of the most commonly misunderstood and misused Japanese gesture is the bow. The use of a bow instead of a handshake in Japan means "I respect your experience and wisdom" (2:41). This



common greeting includes some rules of etiquette. Simply stated, bow lower than persons of unknown or higher rank, bow evenly with peers, and bow higher than others of lower rank. The correct use of a bow will convey a sense of cultural appreciation and knowledge to the Japanese businessman (2:42).

Another unique gesture for the Japanese is the "grunt." The use of a "grunt" by a Japanese person during conversation generally signifies approval or agreement with the person speaking (31:59). Head positioning and facial expressions of Japanese also reveal items of interest to the American businessperson. The slight cocking of the head by a Japanese person indicates disagreement. On the other hand, a smile usually indicates agreement. On most occasions, Japanese faces during negotiations will be non-emotional and plain (4:59).

As stated above, communication with international representatives is vital to successful business. Before being embarrassed, learn some basic phrases of the counterpart's language. Try to learn basic phrases such as please and thank you. Also learn an appropriate greeting and how to introduce yourself. It is also important to understand what are and what are not appropriate topics of conversation. Lastly, remember body language, movement and hand signals take on new and different meanings in other countries.

Etiquette. Different cultures and customs also mean distinctive rules of business and social etiquette. Business and social etiquette are often overlooked domestically without severe consequences, however, "etiquette ignorance" in the international environment can prove to be both embarrassing and costly. The stories of saying the wrong thing at the wrong time or giving an inappropriate gift are numerous and, at times, humorous. At the same time, these humorous stories of etiquette mistakes can get a new business relationship off to a bad start or can further strain an already shaky relationship. Conversely, giving the right gift or saying the right words can show your interest in your counterpart's culture and way of life and significantly improve your personal, company and country's image. This section examines the following forms of etiquette in the international environment: greetings; use of business cards; length of workday; dress; gifts; entertaining; and conversation.

Greetings, Titles and Business Cards. A general rule concerning introductions is that they will be more formal elsewhere than they are in the United States (8:158). As discussed earlier, initial introductions with the exchange of business cards and differing titles can be a time consuming and confusing process. By understanding the culture and peculiarities of specific countries before

arriving, American business people can avoid much of the confusion and embarrassment.

It is advisable to have a formal introduction to international counterparts. A good rule is the more formal the better. It is best not to refer to anyone in the international environment by their first name until asked to do so. Americans generally get too personal too fast. It is also important to properly use titles when referring to international counterparts. Internationally, much more emphasis is placed on these titles. The best method for determining the correct greeting and name is to ask someone else familiar with local customs and that person. If it is impossible to do this before meeting the person, then at the time of the introduction ask for a correct pronunciation and explanation of title and name.

The actual introduction may consist of handshaking, bowing, kissing, or the exchanging of business cards. Even the form of greeting most Americans are most comfortable with, the handshake, can be difficult internationally.

Copeland and Griggs provide the following examples:

In Europe and South America, shake hands with all persons present everytime you encounter them, even if you have already shaken their hands that day...In France, a firm, pumping handshake is considered uncultured--the handshake should be quick and crisp. In China the pumping handshake shows pleasure in the greeting. The Arab handshake makes many people nervous, being a little limp and entirely too lingering for the average Westerner. (8:160)

The exchange of business cards can also be a more formal process overseas. Business cards are a must for any international business person. Cards should be printed in English on one side, and the other language on the reverse side. It is a good idea to have the cards printed abroad to ensure accuracy. The actual exchange of cards, as described in the negotiation section, can be a very formal process. Several general guidelines exist concerning business cards: 1) never run out of cards; 2) keep cards in a distinctive holder; 3) handle the cards with formality when presenting and accepting; and 4) if possible, hand cards out in order of rank (8:161). Once again, it is not important to memorize each country's differences, but to recognize those differences exist. A more complete understanding of an individual country's practices can be learned before traveling.

Length of Workday. The length of the international business day can also be extremely different. The Japanese, for example, will work all day and into the night with informal dinner meetings. In Saudi Arabia, the day is interrupted several times for prayer; no business is transacted during these times. Additionally, in several Middle East countries the work week runs from Saturday to Wednesday. Facts such as these can significantly impact project schedules and meeting plans. Holidays also differ internationally and can impact project and personal

schedules. In order to effectively plan and manage a schedule, the international business person must be aware of workday hours and holidays and schedule appropriately.

Dress. When selecting a wardrobe for international travel and business, the more conservative the better. Also, as is the case with most subjects, if in doubt, dress more formal than you might in the United States (8:162). In some countries, such as Arab nations, rules of dressing for women become even more important. A generally accepted outfit for most occasions is a conservative suit and tie for men, dress or skirt-suit for women (2:15).

Exchanging Gifts. The exchange of gifts is a subject that is often addressed throughout international business literature. Discussions are not only centered on what is an appropriate gift, but the correct way of presenting and accepting a gift. Once again, the acceptable method of exchanging gifts is very dependent upon individual cultures and countries. In Japan, gift giving is a national pastime. Thayer states the following concerning the exchange of gifts in Japan:

(The Japanese) may give gifts and entertain extensively to get to know the negotiator as a person. Gift giving is a highly developed art in Japan. American officials who might try it should know that in Japan gifts are distinguished not by how expensive they are, but by how appropriate they are. (31:57)

An American business person should not arbitrarily select a gift to give to an international counterpart without understanding culture. For example, a gift of a bouquet of chrysanthemums in Brussels and a clock in China are both reminders of death (2:115). However, there are some general gift giving rules that can be followed. First, remember that "it's the thought that counts" (2:117). In many instances, an appropriate gift to give is one that is unique to America or one that is difficult or expensive to acquire internationally. This means planning ahead and purchasing the gift before departing the United States (2:118). The gift does not have to be expensive to be appreciated. If giving a gift in response to receiving one, approximately the same value is always a good rule of thumb. Second, avoid sending the gift after returning to the United States. The problems and cost to your international counterpart associated with customs can far outweigh your gift (2:118). Third, pay special attention to wrapping and presentation of the gift. In Japan, the wrapping of a gift is just as important as the gift itself (2:118). Different colors of wrapping may have different meanings, therefore it is best to get the gift wrapped in the country in which it will be given (8:170). Also, in some countries gifts should not be opened immediately, but later in private (8:170). Fourth, let your counterpart initiate the gift giving, but be prepared to respond

(8:167). Roger Axtell provides an excellent summary of gift giving guidelines in different regions of the world in his book, Do's and Taboos Around the World.

Entertaining. The idea of business entertaining as Americans understand it can take several forms in the international environment. It can range from several cups of tea before a meeting to a formal business dinner or an informal night on the town. Once again, there are no good rules that address every region of the world. However, the rules are definitely different than in the United States. For example, in some regions such as the Middle East, it would be considered rude to refuse tea. However, the best rule, as is the case with most of the etiquette subjects, is politeness. Axtell warns, "eat, drink, and be wary" (2:8). It is not encouraged to turn down either food or drink overseas. There is a good chance that the country is offering its finest products (2:9). In some countries, this includes alcohol. In fact, in some countries "getting visitors as tipsy as possible as fast as possible stands as a universal sign of hospitality, and refusal to play your part equals rebuff" (2:13). This idea is illustrated by the following quote from Copeland and Griggs:

Whether dancing the night away in Greece or drinking yourself stiff in Iceland, expatriates and international travelers must partake in these evenings of entertainment. It is a sign of respect and recognition. Moreover, being together with your associates on an informal level gives them a chance to say what they need to you with

the understanding that they will be safe from loss of face and repercussions the following day. However, keep in mind that the evening is for enjoyment, not shop talk. (8:165)

Another good example of entertaining international style can be seen with the Japanese:

Japan is notorious for the obligatory night life. It is after hours in the sake bar or night club that male employers, employees and colleagues work out interpersonal problems. Through drinking, men (men only because women should not get drunk) can develop the rapport that the Japanese call *sukinshippu* ("skinship"), a term that describes the familylike rapport you feel when rubbing elbows with a drinking companion. Unlike Westerners who consider it malicious to be plied with drink, the Japanese take it as a friendly gesture--be sure to keep your drinking partner's glass full. (8:165)

There are specific guidelines of when to accept dinner invitations and when to entertain for individual regions of the world. Many of these guidelines are based on long standing culture. Therefore, American business people would be smart to learn as much as possible before leaving home.

Conversation. When it comes to social conversations, a list of don'ts is in order. As discussed earlier in the language section, Americans can be easily misunderstood in the international environment. Axtell identifies "the seven deadliest sins of international misunderstanding" as: 1) local color; 2) jargon; 3) slang; 4) officialese; 5) humor; 6) vocabulary; and 7) grammar (2:152).



What a business person says internationally can be as important as how it is said. For example, in the Middle East the Gulf is referred to as the Arabian Gulf, not the Persian Gulf. A knowledge of the country's government and history will certainly help to avoid such mistakes. Subjects such as politics, religion, family and sex are generally best left alone (2:21). However, if an American business person is interested and has sufficiently educated himself concerning the subject, such a conversation can be both enlightening and beneficial to the relationship.

One must also recognize when it is appropriate to discuss business. For instance, in Britain virtually no business is discussed after the work day versus in Japan, where "there is almost no distinction between the business day and the business night" (2:20). However, in Japan business is not discussed at the beginning of a meeting during the formal process of exchanging business cards (2:21).

Once again, the best rule is to learn as much as possible concerning the culture and past of your counterpart's country. Then it will be possible to intelligently discuss subjects which are important to your counterpart and interesting to you.

Although proper international etiquette may take several forms, there are no rigid rules for all countries. "In the world of cultural behavior, the only truly safe

generalization is: don't generalize" (2:26). This section has presented several guidelines for international etiquette, but each culture has its own idiosyncracies. Recognizing these individual rules of proper etiquette and acting accordingly is the important point to remember. While making an innocent etiquette mistake abroad will probably not result in the loss of a contract or cause an international incident, it will show a lack of appreciation for local culture and customs. "It's done a little differently everywhere, and if you do it right, you will fit in a little better" (8:165).

### Conclusions

This literature review has identified cultural barriers which impact international business transactions. Additionally, it has revealed philosophies for successful business conduct to overcome these cultural barriers overseas. This chapter has initially addressed the following research objectives:

- 1) Identify cultural factors which impede the negotiation and management of international programs in the private and public sectors, and
- 2) Identify solutions for effectively coping with these factors.

Although many of the concepts outlined in this literature review are not new, U.S. organizations continue to experience business difficulties in the international environment. Graham and Herberger state, "Twenty-three

years ago in another HBR article, anthropologist Edward T. Hall warned: 'When the American executive travels abroad to do business, he is subsequently shocked to discover to what extent the many variables of foreign behavior and custom complicate his efforts'" (14:161).

Different authors believe in different techniques. Broad sweeping statements that generally apply internationally, may not apply to individual countries. At the other end of the scale, specific comments on one culture may not always be safely applied to another. In some instances, the specific comments which do apply to a country, cannot be applied to a specific individual from that country. Business situations, private or public, are made up of individuals that are exactly that, individuals. However, one underlying theme throughout the literature is the importance of knowing and understanding an international counterpart. The only way to truly understand counterparts is to understand their culture. While specifics for dealing with individual countries differ greatly, this underlying theme seems to be the key. Doral S. Cooper, President of C&M International Ltd., states "the first commandment of business is 'Know thy customer'" (19:14). Cooper continues by stating that "knowing the language and culture of your customers will help you understand their needs and improve your sales" (19:14). Roger Haywood in his article entitled, "You Can't

Just Shout Louder in Europe," states "the first secret (to breaking down international barriers) is to identify and exploit basic similarities and avoid becoming obsessed with differences" (16:35). Haywood concludes with a quote from George Elliot: "The peoples of the world are islands shouting at each other across a sea of misunderstanding" (16:35). With recognition of the importance of understanding international cultures, this sea will begin to evaporate bringing the islands closer together.

### III. Methodology

#### Chapter Overview

This chapter identifies the methodology for collecting and analyzing data for this thesis. The chapter presents an explanation of the method of approach, a profile of the survey respondents, justification of the approach, analysis procedures and potential limitations that have been identified.

#### Introduction

While there is abundant material in the existing literature concerning international management practices, there is an apparent lack of consolidated data concerning the cultural dimension of the international marketplace. The limited amount of literature concerning this subject stems from the fact that it is difficult to broadly address culture over several regions due to the range of cultural differences which may exist from region to region. More important than the apparent lack of material, there is a definite lack of awareness and understanding concerning these cultural dimensions of international business. After a review of the literature, several potential cultural factors which impede international business became apparent. Therefore, this study attempts to further define these cultural dimensions which impede international transactions, and increase the awareness of the impacts of

these factors. The research was based on two primary methods: literature review and survey.

Literature Review. A comprehensive literature review for secondary data was conducted including literature searches through professional journals, conference papers, research reports, government documents, dissertations and current books. This literature review provides background information concerning culture and negotiations while identifying cultural dimensions of international business which have historically existed. Additionally, the literature review addresses the differences between private and public sectors. The literature review formed the basis for the establishment of investigative questions and the survey.

Survey. "To survey is to question persons and record their responses as the data for analysis" (10:158). The written survey used in this research was designed as an exploratory study into the effects of cultural differences on negotiating and managing international programs. After analyzing existing literature, several recurring themes became evident concerning cultural factors and their potential effect on international business transactions. The survey was designed to specifically investigate these themes and to provide further insight. On the basis of the literature review, several investigative questions were established concerning the effects of culture. The survey

was then designed to seek answers to these investigative questions:

- 1) How does the difficulty of international business negotiations compare with U.S. negotiations?
- 2) To what extent do international cultural factors present problems to negotiation teams and/or affect the success of international negotiations?
- 3) Is a different type of negotiation style/strategy required overseas? What is the most effective negotiation team composition?
- 4) Would it be helpful for a U.S. negotiator to study an international counterpart's culture before the negotiation process begins?
- 5) Do differing management practices/styles create obstacles that program managers must overcome?
- 6) How important are personal relationships in the international environment as compared with U.S. business transactions?
- 7) What role should lawyers play on international programs? Is the participation of lawyers in business meetings considered a sign of mistrust?
- 8) Are there management and/or organizational factors which the program manager directly controls that have important influences on the success of international transactions?
- 9) Do differing languages significantly impact the success of international programs?
- 10) Are the use of "courtesy level" foreign words useful in improving personal relationships?
- 11) Do nonverbal forms of communication differ significantly and cause problems?
- 12) Does the use of language interpreters increase the speed and quality of communications during international transactions? Do interpreters introduce any specific problems?

13) Do issues related to etiquette have important impacts on international transactions? If so, what should an international businessperson understand about business and social etiquette?

14) Are international transactions more formal than those conducted in the U.S.?

15) How many organizations provide international training and what is being taught?

16) What international training topics are most important for an individual's success overseas?

Survey Design. A mail survey was developed to collect both factual and opinion data from experienced international professionals. The questionnaire was pre-tested with experts on survey design and international program management at the Air Force Institute of Technology (AFIT) and the Defense Systems Management College (DSMC), and with other DoD experts on international programs. The survey process is outlined in Figure 1. Data were collected from 124 individuals by means of this mail survey. The questionnaire and associated introductory and follow-up letters are included as Appendix A.

The survey was composed of both open- and closed-ended questions which addressed the research objectives and investigative questions. The survey instrument consisted of four parts.

Part I, demographics, included six questions aimed at gaining background information about people who completed the survey.



# SURVEY PROCESS

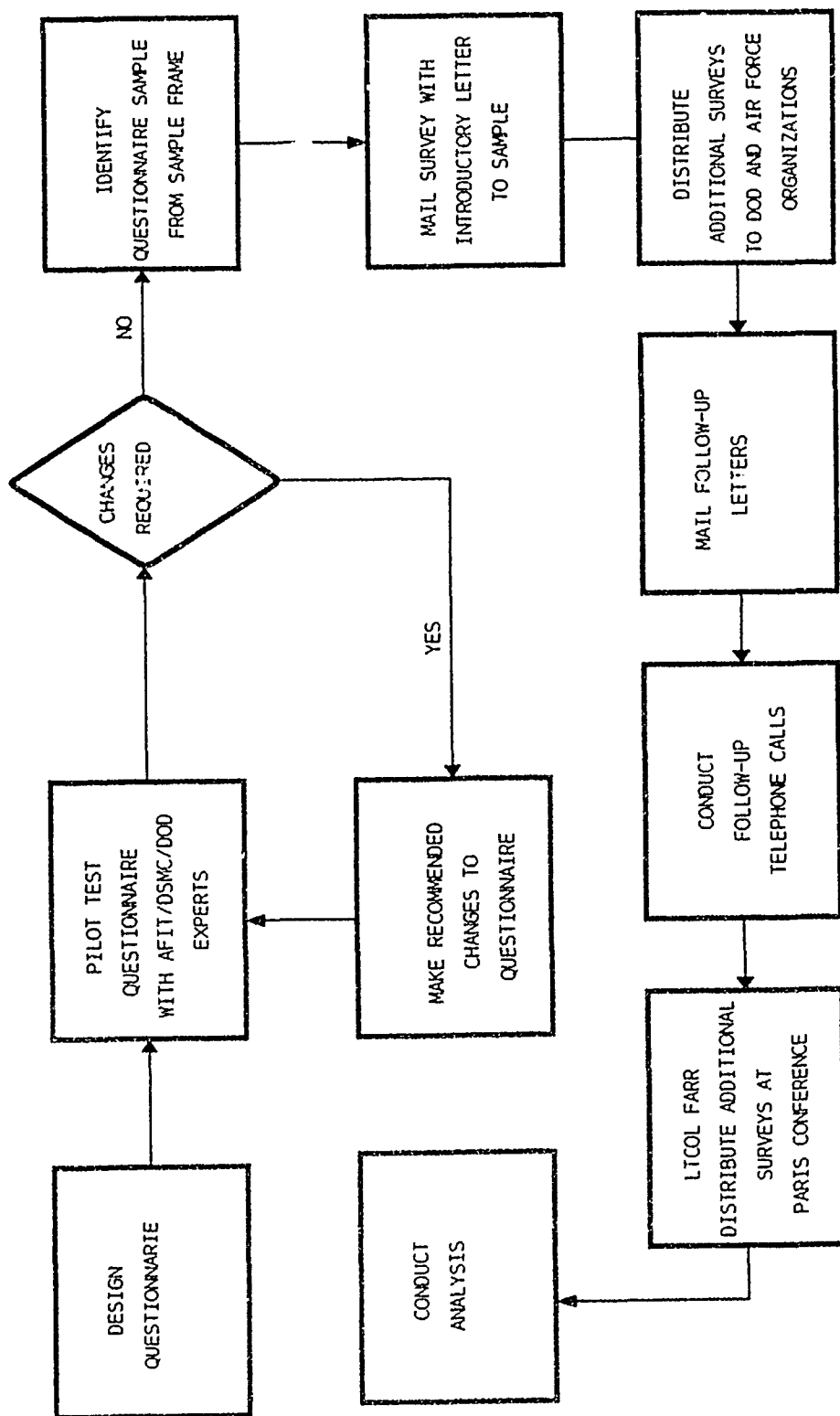


Figure 1. Survey Process

Part II of the survey, corporate culture, was used to provide insights concerning cultural factors which influence business behavior in the international environment. It was divided into three subsections: negotiations, management practices, and communications. The negotiations subsection included nine questions which dealt specifically with the international negotiation process. Six questions were included in the management practices subsection which assumed an international business partnership had been successfully negotiated, and addressed the management of that partnership. The last subsection was comprised of seven questions which were concerned with communication factors in international programs which the respondent had participated in or witnessed.

Part III of the survey, business and social etiquette, was used to gain insights concerning the cultural factors which influence business and social etiquette and their effect on business transactions. This section included six questions.

Part IV of the survey consisted of ten questions which addressed the general subject of international business. This section included four questions concerning culture, three questions concerning international training courses, one question addressing the formality of international business, and one question concerning the use of host country nationals.

Population. The population for this research was defined as all program management and contracting professionals in the United States with international experience of two years or more. This population was selected since this research will primarily assist program managers and contracting professionals who must negotiate and manage international programs. Since this study examines cultural dimensions which impede Department of Defense (DoD) and private industry international programs, the researcher used these parameters to define the population.

Sample. The sampling frame used was both government and private industry representatives with international program experience of two or more years. The emphasis of the sampling frame was Department of Defense (DoD) personnel. Government representatives included personnel who have experience in all types of international cooperative programs such as foreign military sales, coproduction, codevelopment, joint ventures, and teaming arrangements. It also included several academic personnel who specialize in international studies. Private industry representatives included personnel with DoD and Non-DoD international program experience.

Due to several constraining factors, such as cost and time, questionnaires were sent to a representative sample of the sampling frame identified above. A nonprobability sampling method was used because there was no accurate way

to identify the entire population of government and private industry persons with international experience. A judgement sample, a specific type of purposive sampling (10:280), was used to select a sample comprised of people with at least two years of international program experience and who were reasonably accessible to the researcher.

Surveys were initially mailed to 153 individuals. This list represented Lt Col Mike Farr's international contacts and a list of personnel who have attended Defense Systems Management College international courses in the last three years. Additional surveys were distributed in the following international procurement organizations:

- 1) Defense Contract Management Command International (DCMCI);
- 2) Defense Institute of Security Assistance Management (DISAM);
- 3) F-16 International Systems Program Office at Aeronautical Systems Division (ASD/YPXI);

International Programs Systems Program Office at Electronic Systems Division (ESD/FA); and SAF/IARS. Additional surveys were also distributed by Lt Col Farr at the Armaments Cooperation Seminar in Paris, France. A total of 204 surveys were eventually distributed to government and private industry individuals. The sample size was chosen based on the availability of personnel who could accurately address the objectives of this research. A response rate of 60.8% was achieved with the return of 124 acceptable surveys. The good response rate can be attributed to several factors including the following:

- 1) recognition of organizations and professionals used in the cover letter;
- 2) follow-up letters mailed to each potential respondent;
- 3) follow-up telephone calls to each non-respondent after three weeks;
- 4) self-addressed postage paid return envelopes included with each survey;
- 5) ensuring anonymity; and
- 6) relatively small international community.

It was learned from the follow-up telephone calls that non-response could be attributed mostly to incorrect addresses of individuals who no longer worked at addresses which were available. Other reasons for non-response included a few people who did not feel qualified to accurately respond and some people's travel schedules left insufficient time to reply.

#### Profile of Respondents

Surveys were distributed to both government and private industry people with international experience. The following paragraphs provide a summary of the characteristics of the respondents as reflected by their responses to Part I of the survey. Appendix B provides a complete profile of survey respondents. Percentages reflected in the following sections are graphically displayed in Appendix B. Percentages may not add to 100% due to rounding or non-response to particular questions.

Services/Sectors. Approximately 41.1% of the respondents (51 people) were active duty military including 2 representatives from foreign services. Another 40.3% of respondents (50 people) were civil service and 13.7% (17 people) were from the private sector. DoD organizations and each individual service were represented with the majority of government respondents coming from Air Force and DoD organizations. Additionally, both DoD and Non-DoD type industries were represented by the private sector respondents. Private industry responses included professionals from the medical, legal, consulting, and defense sectors.

Job Titles and Ranks. Several different government and private sector job titles were used to describe the jobs which were held by respondents. The job title most frequently mentioned was Program Manager or Director of Programs. This title was used by 38 people or 30.6% of the respondents. This included both government and private industry Program Managers. Other professional areas which were frequently used to describe respondents' positions included academics (8.1%), research and development (5.6%), quality assurance (3.2%), and contracting (3.2%).

Rank of military respondents ranged from O-2 (First Lieutenant) to O-8 (Major General). The majority, 84.4%, of military personnel who responded were between the ranks of O-4 (Major) and O-6 (Colonel). Civil service grades of respondents ranged from GS-12 to SES-5. Ninety-four

percent of civil service respondents were grades GS-12 to GM-15. The rank structure used to describe levels of private sector individuals included four titles: president, vice-president, manager, and lawyer. The majority of private sector respondents were at the manager level of responsibility.

Experience. The survey respondents represented a total of 1,100 years of international experience with an average of approximately 8.9 years each. The experience level ranged from just over 2 years to 35 years of experience. Of the 124 respondents, 63.7% (79 people) had lived overseas for some period of time during their careers.

The respondents had been involved in several types of both DoD and Commercial international ventures during their careers. The highest experience levels within DoD ventures were in the areas of Foreign Sales (78.2%) and Cooperative Research and Development (70.3%). Licensing (76.5%) and Production Joint Ventures (76.5%) provided the highest level of experience in commercial ventures.

The respondents had also been personally involved in a variety of international activities within the previous 36 months. These activities included the following:

- 1) written an international contract;
- 2) negotiated an international contract, Government Memorandum of Understanding (MOU), or other deal;

3) conducted technical discussions with international counterparts; and

4) entertained international representatives.

#### Scope and Limitations of the Research

In order to provide an informative study to a wider range of program managers and contracting professionals, this thesis was not limited to a particular region of the world or specific country. The time and research required to comprehensively examine all possible cultures and their effects on business was beyond the scope of this research due to the cultural diversity and sheer numbers of countries. Due to the immense differences concerning business practices among these different countries and the time constraint for this study, each region could only receive a cursory analysis. Instead, this exploratory study addressed the affects of culture on international business in a general sense. In order to define and provide examples of potential differences, this thesis used specific characteristics and examples from the Japanese culture. The focus was on potential cultural impacts, not on an individual countries' business practices. The study addressed both public and private programs in an attempt to provide valuable lessons learned by both sectors.

There are several potential limitations associated with the procedures outlined above for obtaining primary data. First, with a non-probability sample there is



concern over whether the sample chosen adequately represented the population. In particular, the number of private sector responses was relatively small (13.7%) and may not adequately represent general attitudes and experiences in that group. Also, some respondents may have been reluctant to provide negative information about their own international experiences. The findings and subsequent analysis of this study should be interpreted with these limitations in mind.

## IV. Findings and Analysis

### Chapter Overview

This chapter describes and analyzes the survey findings. The analysis is organized by sections of the survey: corporate culture, business and social etiquette, and general issues. Demographic information on the respondents was already addressed in Chapter 3.

### Introduction

There were two general types of questions in this survey. The first type was closed-ended, and required respondents to select a response from a numerical rating scale that most closely reflected their opinion. Question #3 in Part II, Section A, of the survey is an example of this type of question. This type of numerical rating is also known as a Likert scale. Responses of this type were analyzed with descriptive statistics such as frequencies, means, and standard deviations.

The other type of question was open-ended, and allowed the respondent more latitude to convey their opinions and experiences. Question #8 in Part II, Section A, of the survey is an example of this type of question. Open-ended questions were analyzed using content analysis, which is basically a search for key words and phrases that are repeated by various respondents. Appendix C lists all of the responses to the open-ended questions.

Most of the analysis addressed the entire sample. However, where possible, comparisons were made between the private and public sectors. The primary purpose of doing so was to identify any useful lessons from the private sector that might be applied by the DoD.

#### Findings: Corporate Culture

The findings are presented in the order of the parts of the survey. The first section was used to gain insights concerning cultural factors which influence business behavior in the international environment. It has three subsections: negotiations, management practices, and communication.

Section A: Negotiations. This section deals specifically with the effects of culture on the international negotiation process. The following investigative questions guided the research:

- 1) How does the difficulty of international business negotiations compare with U.S. negotiations?
- 2) To what extent do international cultural factors present problems to negotiation teams and/or affect the success of international negotiations?
- 3) Is a different type of negotiation style/strategy required overseas? What is the most effective negotiation team composition?
- 4) Would it be helpful for a U.S. negotiator to study an international counterpart's culture before the negotiation process begins?

Of the 124 respondents, approximately 76% had been personally involved in international negotiations, and responded to questions in this section of the survey. The actual roles of the respondents during these negotiations ranged from observer to chief negotiator with an emphasis on the technical and program manager roles. Additional roles included interpreter, legal advisor, and contracting representative. The relationship of participants which existed most frequently was U.S. Government to International Government. This was mainly due to the sample make-up and the low number of private industry respondents. Several people had experience with more than one type of negotiating relationship.

Likert-type category scales were used to measure the success and difficulty of international negotiations. The frequency distribution on rating the success of international negotiations which respondents had been involved in is presented in Figure 2. Figure 2 indicates a measure of success from the U.S. perspective associated with international negotiations. The majority of respondents (72.6%) rated the success of international negotiations they had been involved with as either somewhat successful or very successful. This is in direct contrast with existing literature which supports a tendency towards unsuccessful international negotiations. However, the results of this survey could be biased due to the following

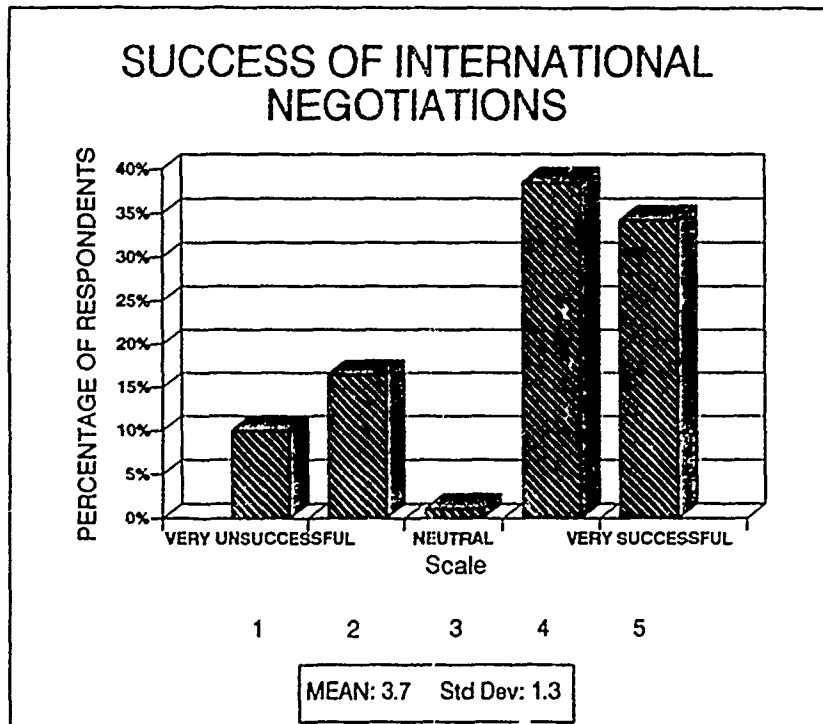


Figure 2. Success of International Negotiations

factors:

- 1) Expertise and experience levels of survey respondents may have been higher than the entire population of individuals involved in international negotiations.
- 2) Reluctance on the part of survey respondents to reveal unfavorable information about themselves or their programs.

However, respondents agreed with the literature that international business negotiations were at least somewhat more difficult than U.S. negotiations with a central tendency of 4.7 on the scale represented in Figure 3.

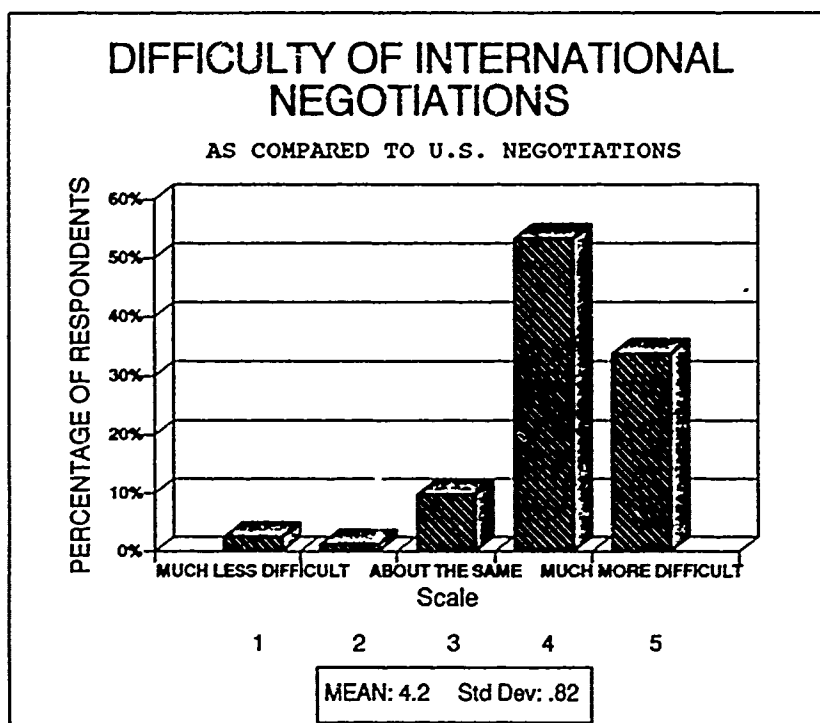


Figure 3. Difficulty of International Negotiations

Over 86% of the respondents rated the difficulty of international negotiations as either somewhat more difficult or much more difficult than U.S. negotiations. These two figures indicate that survey respondents recognized the difficulty of international negotiations and planned accordingly to ensure success.

The next question in the survey addressed the second investigative question of whether any uniquely international factors presented problems to the negotiator, and subsequently affected the success of the negotiation.

Each of the cultural factors or concerns identified in the survey were specific problem areas noted in existing literature. The different concerns were divided into four areas for analysis and presentation purposes: general concerns, differences, U.S. team deficiencies, and counterpart team deficiencies. In an attempt to rank order these concerns, each one was rated on a five point scale ranging from never a problem to extreme problems. Figures 4 through 7 present the means of the survey responses for each concern.

An initial review of the responses indicated that the areas which presented the most problems were differing legal systems, differing negotiation tactics/styles, differing managerial practices/styles, and differing financial processes/systems. As presented in chapter two, several of these differences are a direct result of cultural influences. However, the concern generally associated with culture, social customs, was rated relatively low with a 2.74 average response. Figure 7 illustrates that respondents did not consider counterpart team deficiencies as a significant problem area. Each factor for counterpart team deficiencies was rated relatively low with the highest concern being insufficient authority by counterpart teams. Other areas which affected negotiation success were problems with verbal communication and mismatched technological capacities.

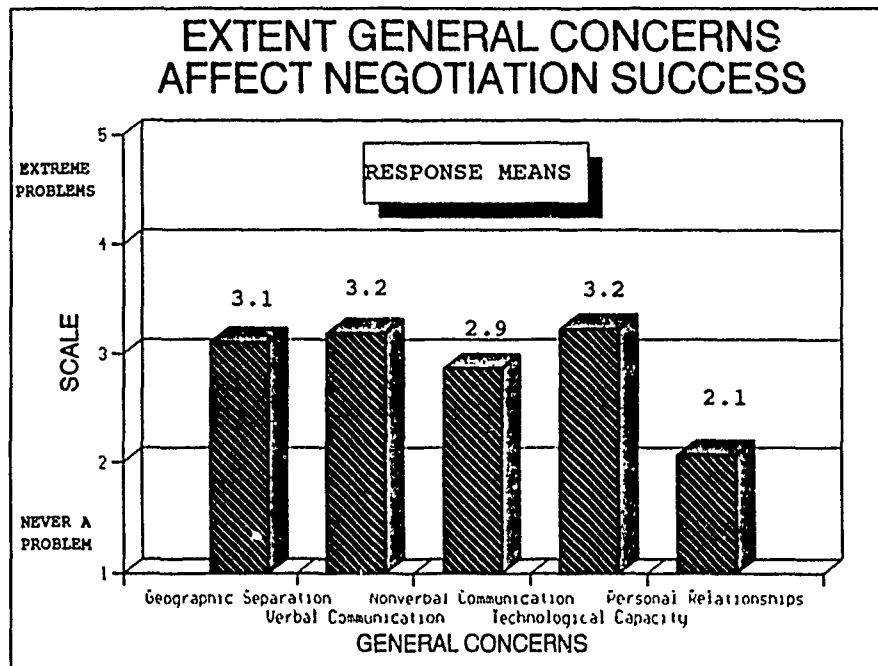


Figure 4. Extent General Concerns Affect Negotiation Success

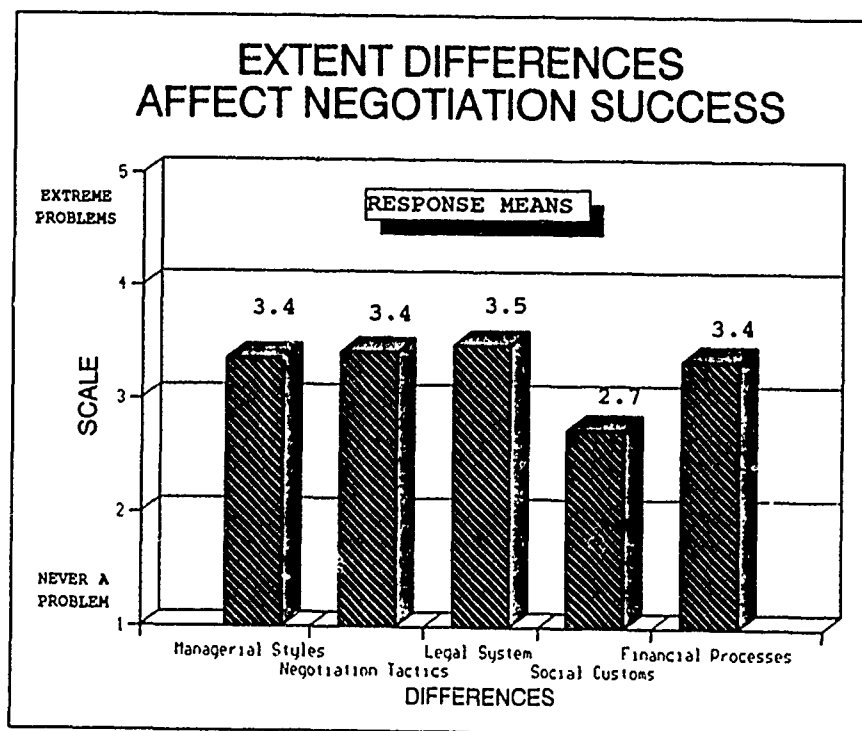


Figure 5. Extent Differences Affect Negotiation Success



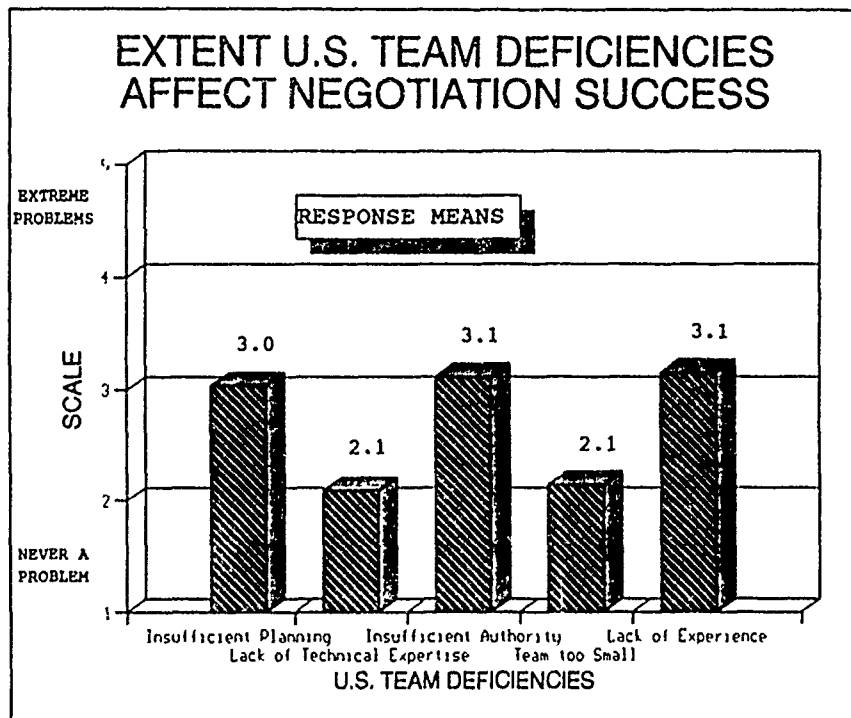


Figure 6. Extent U.S. Team Deficiencies Affect Negotiation Success

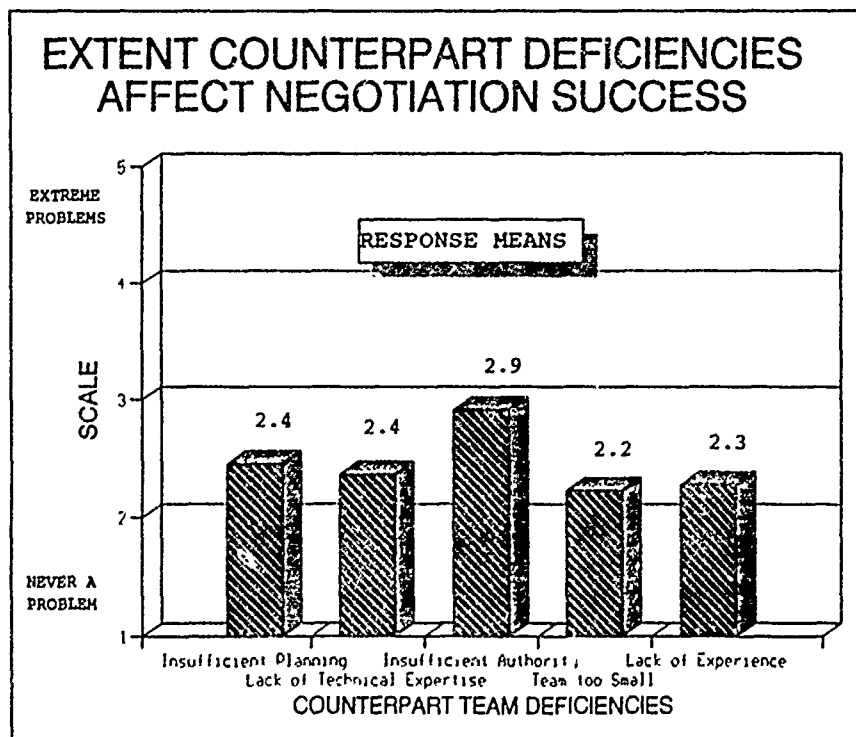


Figure 7. Extent Counterpart Deficiencies Affect Negotiation Success

The cultural areas which respondents considered least significant in affecting negotiation success were the inability to establish personal relationships (2.07), lack of technical expertise of U.S. team (2.09) and U.S. team being too small (2.15). Remember that low ratings indicated that the respondents did not believe that area caused significant problems. From analysis of open-ended questions, it was determined that the low ratings for lack of technical expertise of U.S. team and team being too small were explained by two factors. First, respondents considered U.S. team technical expertise levels to be significantly higher than those of their counterparts' team. Second, respondents generally considered the size of their negotiation team as too large. Therefore, a U.S. team being too small did not occur very often in the view of respondents. While these factors associated with U.S. teams are explained by further analysis of open-ended questions, they still contradict existing literature concerning the size of negotiating teams. While respondents generally agreed that bigger was not always better, the literature reviewed tended to argue that bigger teams were more effective. Additionally, the rating received by the inability to establish effective personal relationships was significantly lower than expected. The literature indicated that personal relationships are very important overseas and the inability to establish a strong

relationship could significantly hamper success of negotiations. While respondents tended to agree that personal relationships are somewhat more important internationally, they did not consider them as large barriers to successful negotiations.

The next part of the survey addressed the investigative question concerning whether a different type of negotiation style/strategy and team composition is required overseas. According to Figure 8, approximately 79% of the respondents believed a different type of negotiation style/strategy was required overseas.

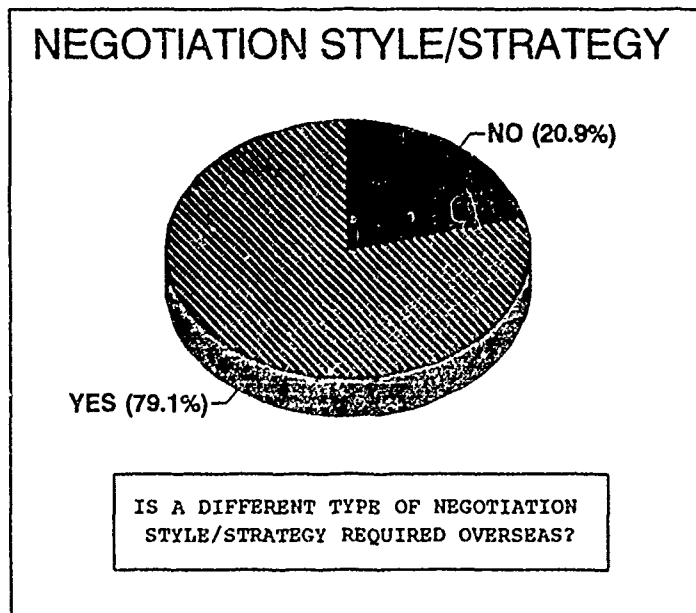


Figure 8. Different Negotiation Style/Strategy

This is consistent with existing literature concerning the ineffectiveness of the American style of negotiating

overseas. The high level of expertise and experience of respondents is evident with the recognition that a different style is required. This may also partially explain the success rate experienced by survey respondents during international negotiations.

Several different statements were made concerning negotiation styles which proved effective internationally. Flexibility and patience were key words which respondents used to describe effective negotiation styles/techniques. Additionally, respondents distinguished styles by specifying individual countries for which they applied. Another point made by respondents which is consistent with the literature addressed the informal conversations associated with formal negotiations. Several respondents recognized this as an important part of the overall international negotiation process. Comments were also consistently made about U.S. negotiators always starting at their bottom line and then being outnegotiated. One respondent suggested "...you have to be familiar with the customs/practices of each country and adjust accordingly and then adapt your style to the specific people involved."

Open-ended responses concerning the composition of respondents' negotiation team may also help explain the relative success of the international negotiating teams in this sample. Expertise and experience levels of negotiating teams were consistently described as high. The

size of the teams fluctuated in the area of five people. As noted previously, additional comments were made supporting the notion that smaller teams are more effective in most cases. There seemed to be a sense of being able to build stronger personal relationships and trust with smaller teams. One respondent stated, "Contrary to popular opinion, I have found that the smaller the group (both sides) the easier it is to negotiate."

Another area the literature appeared divided on was the level of authority the U.S. team should possess. As previously seen in Figure 6 and reinforced by analysis of open-ended responses, respondents believed that U.S. teams should be provided more authority when conducting negotiations overseas. While some respondents considered lack of authority a good negotiation tactic, most felt that the more authority the team possessed, the better the chances of success.

An interesting, but not surprising, inconsistency can be found by examining Figures 9, 10 and 11. Investigative question four asks whether it would be helpful for a U.S. negotiator to study an international counterpart's culture before the negotiation process begins. An affirmative answer to this investigative question is supported by both the literature and the survey responses. Figure 9 shows that slightly over 50% of respondents considered it extremely helpful to study a counterparts' culture before

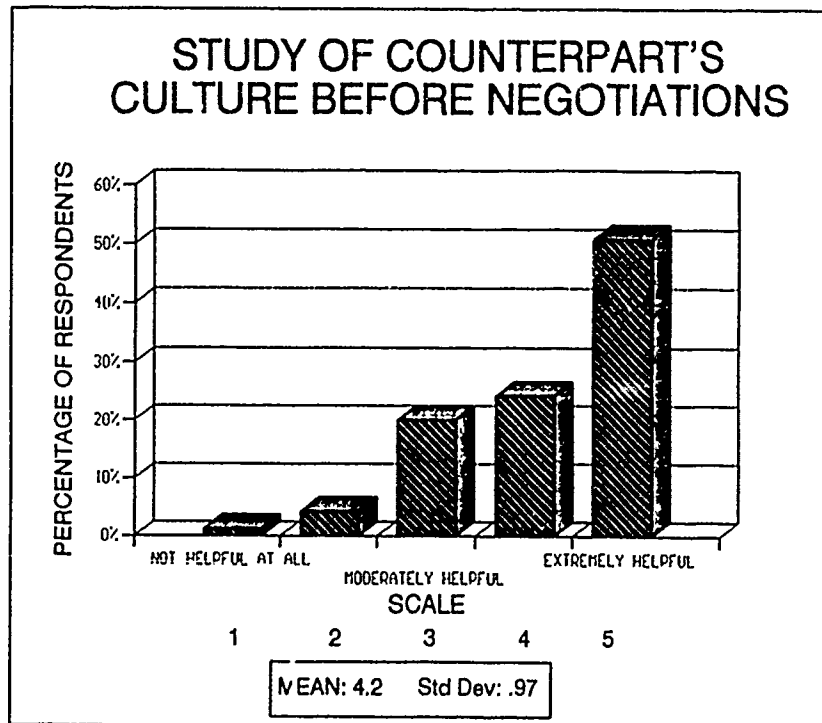


Figure 9. Study of Counterpart's Culture

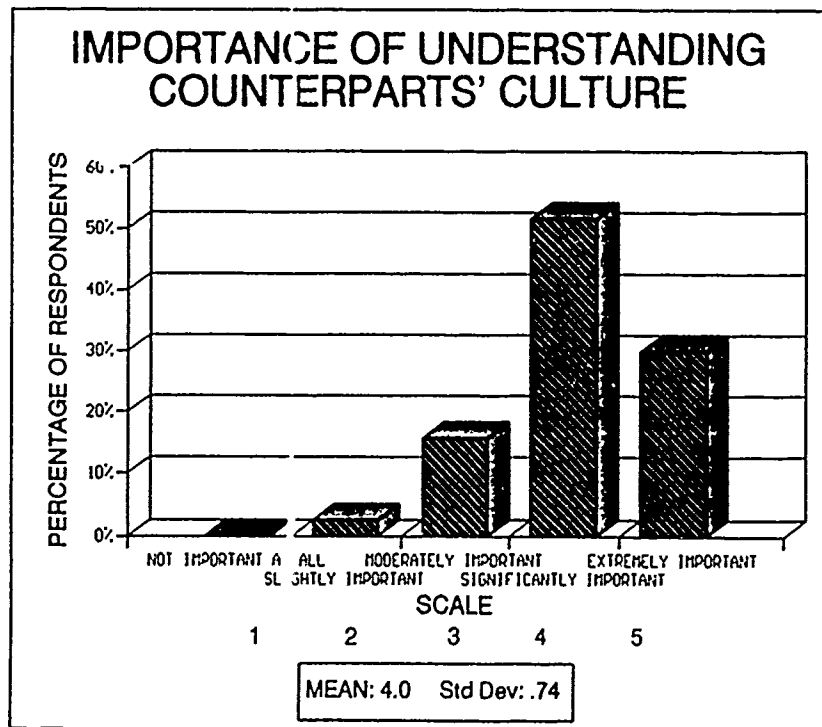


Figure 10. Importance of Understanding Culture

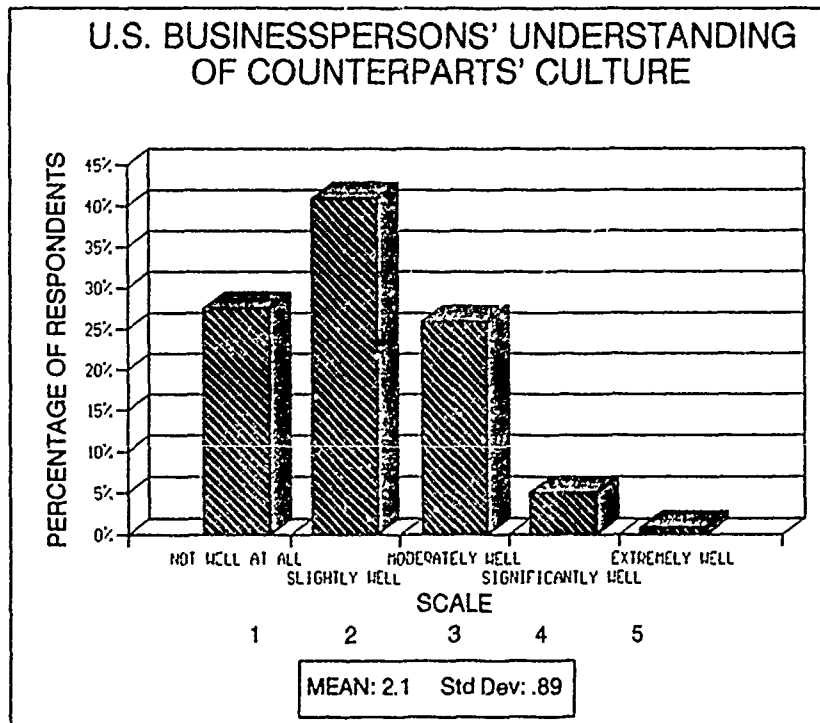


Figure 11. U.S. Understanding of Counterparts' Culture

the negotiation process begins. Approximately 95% considered it at least moderately helpful. Figure 10 also illustrates that respondents consider it important to understand the culture of international counterparts. Figure 10, which represents a separate question, also indicates that over 97% of respondents consider the understanding of the culture of international counterparts at least moderately important. However, Figure 11 shows that only 5.8% of respondents felt that U.S. business people understand the culture of their international

counterparts at least significantly well before transactions begin. This data reflects one of the main objectives of this research which is to increase the appreciation of the effects of culture on international transactions on the belief that this greater awareness will assist in the handling of the problems.

Section B: Management Practices. This section assumed an international business partnership had been successfully negotiated, and addressed the management of that partnership. The following investigative questions guided the research:

- 1) Do differing management practices/styles create obstacles that program managers must overcome?
- 2) How important are personal relationships in the international environment as compared with U.S. business transactions?
- 3) What role should lawyers play on international programs? Is the participation of lawyers in business meetings considered a sign of mistrust?
- 4) Are there management and/or organizational factors which the program manager directly controls that have important influences on the success of international transactions?

Existing literature showed that culture can form the basis for, and often significantly impacts, a region's management practices/styles. Figure 12 reinforces this concept by showing the extent to which management practices actually do differ internationally.



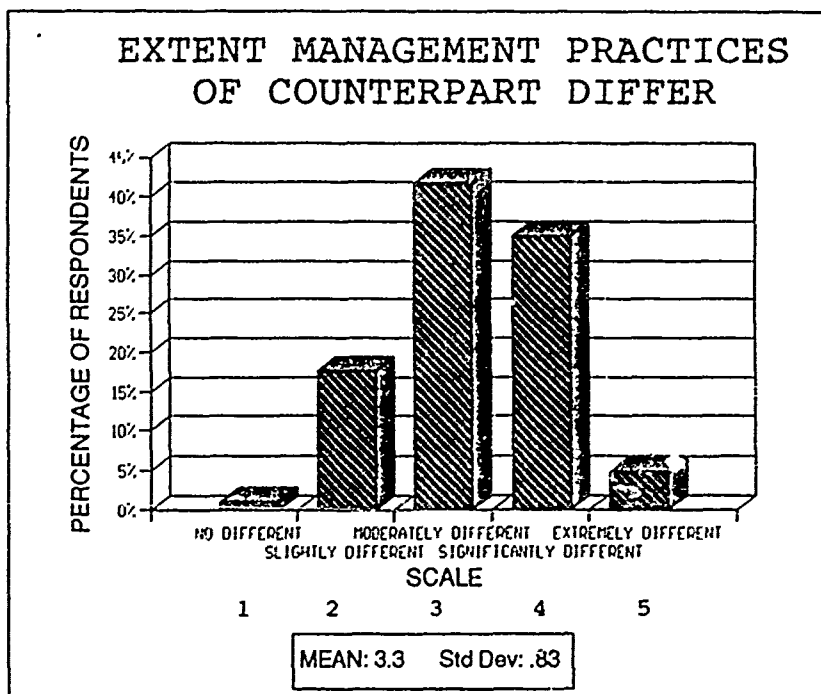


Figure 12. Extent Management Practices Differ

As previously illustrated in Figure 5, these differences in management style can create significant problems associated with the success of international negotiations. The open-ended responses also supported the finding that significant program management problems were caused by differing management styles/practices. The problem most often mentioned was associated with the slowing of the entire process. One respondent summed it up by stating, "Foreign management practices impacted projected schedules and cost estimates which were made under the assumption of U.S. styles of management and

business practices." However, respondents felt these programmatic problems could be easily overcome if U.S. businesspeople are willing to recognize and attempt to understand differing practices.

Although the inability to establish personal relationships was not considered a significant problem (Figure 4), Figure 13 nevertheless indicates that these personal relationships are somewhat more important in the international environment than in U.S. business transactions. Open-ended responses indicated that while this area can cause program management problems, development of successful personal relationships can be achieved through several means: 1) increasing social contact; 2) demonstrating honesty/integrity; 3) demonstrating patience; and 4) understanding culture/customs. One respondent summed up these thoughts by stating:

"Tough question--it seems we Americans are driven by time and accomplishment pressures to a greater degree than our counterparts. I think we transmit/exude an air of impatience that is recognized which means attempts at establishing a longer term bond as less than totally sincere. The other factor is that most Americans are not well equipped to discuss events, etc. that are outside of our American experience. Finding common ground for a personal relationship is difficult."

A more concise respondent simply stated, "wine and dine, personal favors, personal integrity, keep your word/commitment."

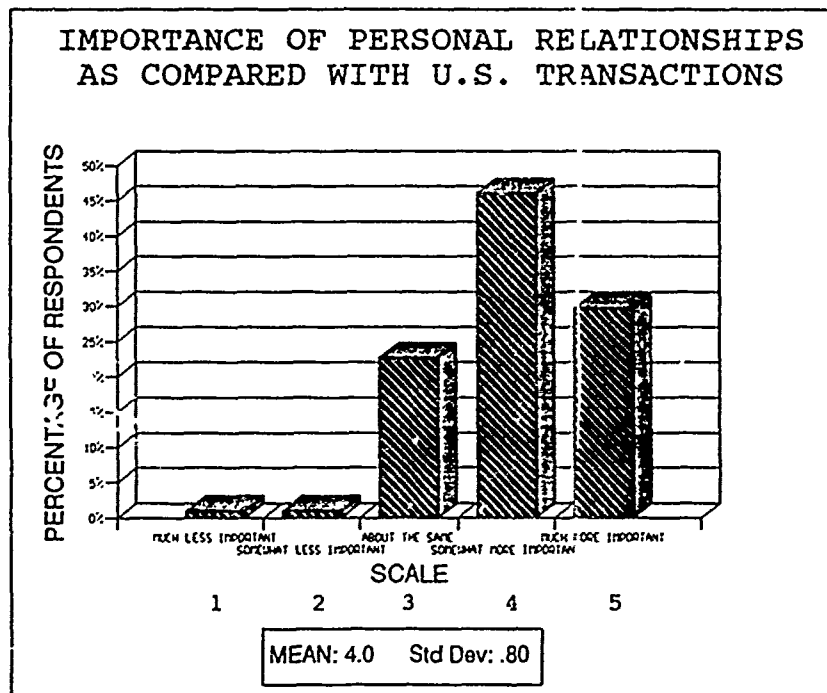


Figure 13. Importance of Personal Relationships

The third investigative question in this section addressed the role of lawyers and whether lawyers should be a part of an international team. The open-ended responses on this issue were extremely diverse. They ranged from stating that a lawyer is absolutely essential to the success of international business to lawyers are a definite handicap in the international arena. The respondents were

somewhat divided over whether lawyers should actively participate in international management and/or negotiation meetings. One respondent summed up the views of several by stating, "Yes and no. If they attend nothing will ever be accomplished. But if they don't attend, you end up doing all the work only to find it is always legally impossible to finalize the agreement." The general consensus seems to be that lawyers are needed somewhere in the process (particularly in preparing and reviewing the U.S. position) but should not play a prominent role during the actual negotiation process.

An interesting insight can be drawn by comparing the responses concerning the typical composition of negotiating teams with responses about the role lawyers should play. Most international negotiating teams included a lawyer on the team, even on those teams whose respondents believed that lawyers should not play a prominent role in the international environment. So, even though the literature review and the responses from this study indicate that many cultures regard the presence of lawyers as a sign of mistrust, the U.S. usually includes lawyers on most negotiating teams.

The final investigative question associated with this section of the survey asked whether there were factors which the program manager directly controls that have important influences on the success of international

transactions. A review of the literature identified the following factors: 1) preparedness of U.S. team; 2) patience of U.S. team; 3) familiarity with international counterparts' business practices; 4) familiarity with international counterpart's customs; 5) personal ties built over the years; and 6) technical expertise of U.S. team. As illustrated in Figure 14, the average response for each of these factors were approaching the extremely important area. Preparedness and patience of the U.S. team were considered as the most important areas by the survey respondents. While respondents seem to agree that personal ties and technical expertise of U.S. team are important factors in determining the success of international transactions (Figure 14), these factors have not actually caused significant problems for respondents (Figures 4 and 6).

Section C: Communication. This section addresses communication factors in international programs. The following investigative questions guided the research:

- 1) Do differing languages significantly impact the success of international programs?
- 2) Are the use of "courtesy level" foreign words useful in improving personal relationships?
- 3) Do nonverbal forms of communication differ significantly and cause problems?
- 4) Do the use of language interpreters increase the speed and quality of communications during international transactions? Do interpreters introduce any specific problems?

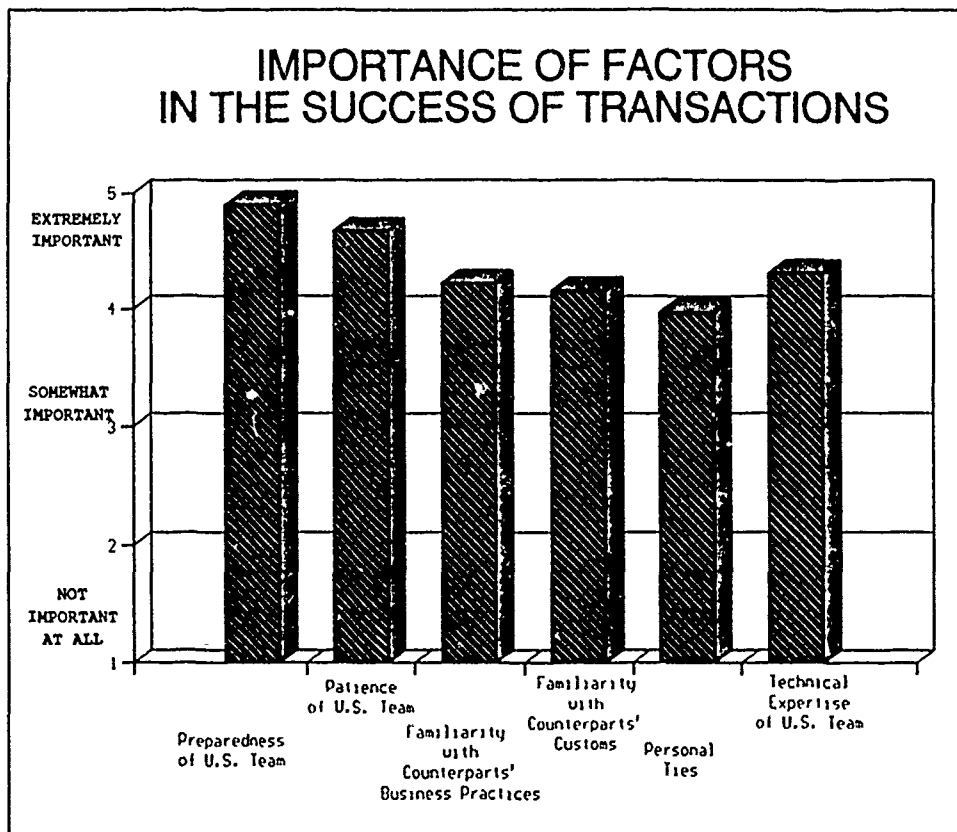


Figure 14. Importance of Factors in the Success of International Transactions

As illustrated by Figure 15, approximately 62% of the respondents experienced problems associated with differing languages. The problems that were experienced included the following: 1) translation problems; 2) additional time requirements; and 3) misunderstandings by both parties.

However, as Figure 16 shows, these problems did not significantly impact program success according to survey responses. This illustrates that language differences do

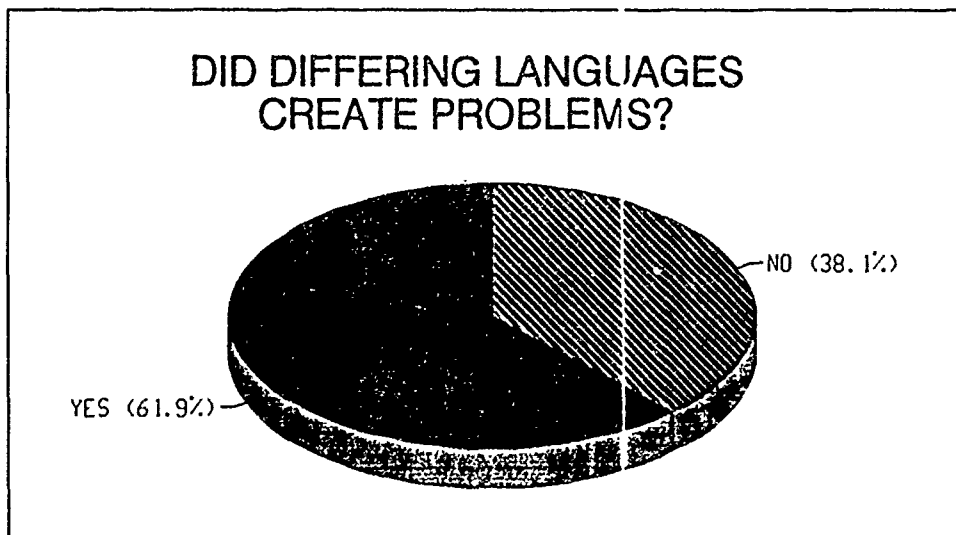


Figure 15. Did Differing Languages Create Problems?

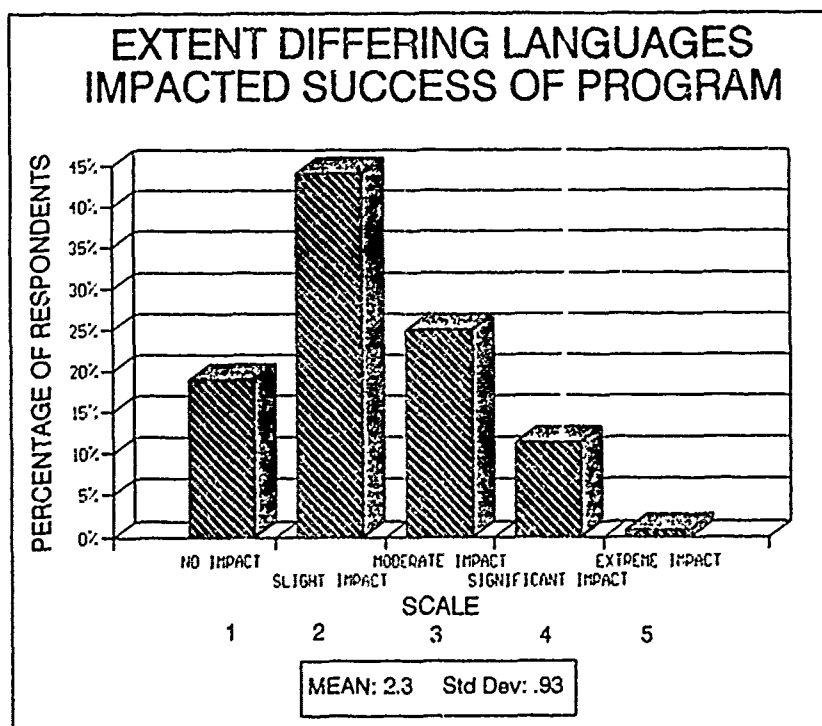


Figure 16. Extent Differing Languages Affected Success of Program

create problems, but these problems can be overcome and do not significantly hamper success of programs.

A surprisingly high percentage of respondents (86.3%) learned courtesy words such as greetings or thank you as illustrated in Figure 17. Also as expected, Figure 18 shows that this knowledge of courtesy words was useful in improving personal relationships.

Figure 19 shows that respondents did not believe that a significant difference existed between their customary nonverbal forms of communication such as gestures or facial expressions and those used by or expected by their international counterpart. Those respondents which did believe that significant differences existed agreed that these differences created only minor problems. The problem mentioned with the highest frequency was accidental insults due to differing nonverbal forms of communication.

Over 75% of respondents had used a language interpreter at some time (Figure 20). Additionally, it was almost evenly split on the percentage of survey respondents who had experienced problems introduced by the use of an interpreter and those who had not (Figure 21). The problems most frequently mentioned by respondents included the following:

- 1) inability to literally interpret words/lost precision;
- 2) time consuming/lengthy discussions; and



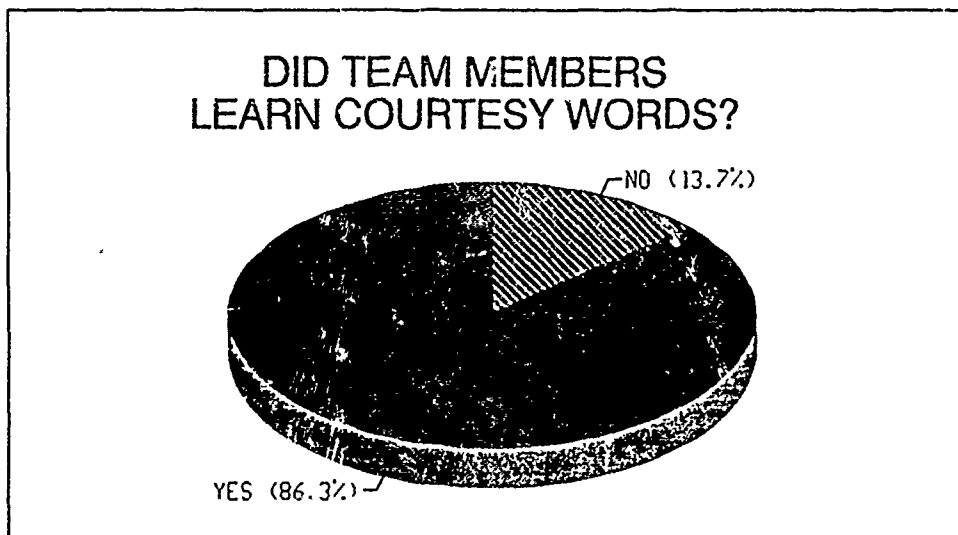


Figure 17. Did Team Members Learn Courtesy Words?

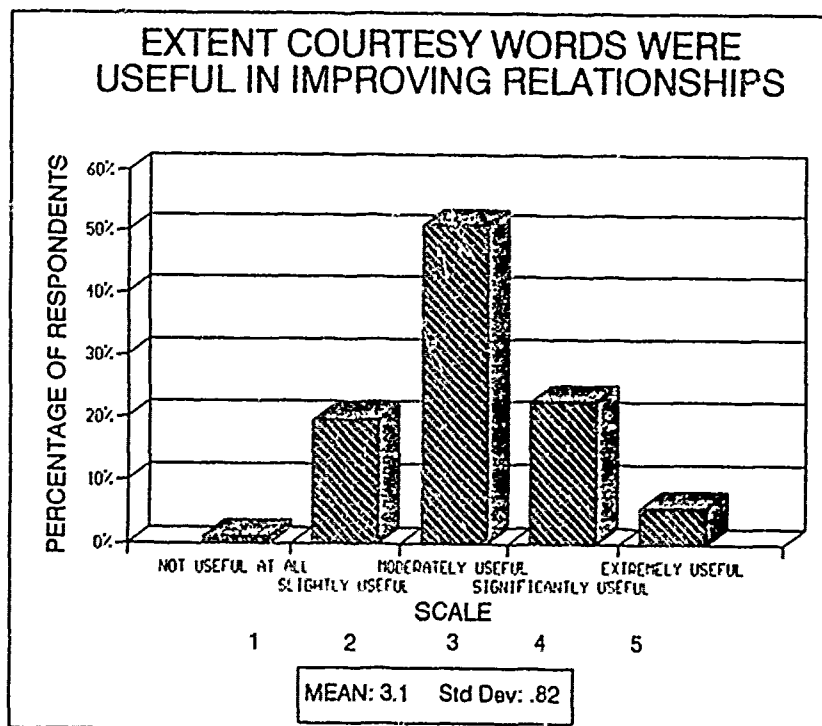


Figure 18. Extent Courtesy Word: Improved Personal Relationships

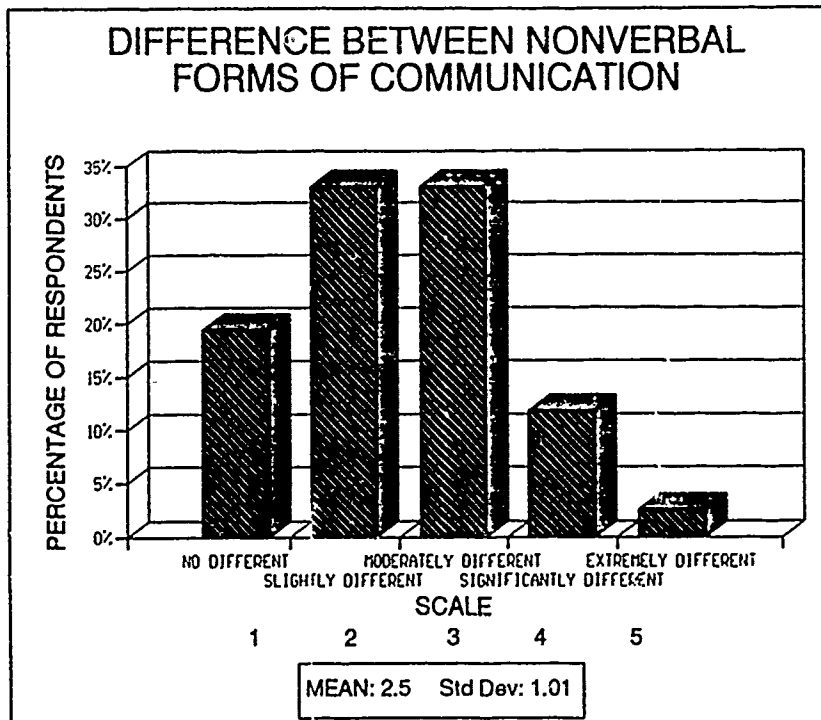


Figure 19. D..fference between Nonverbal  
Forms of Communication

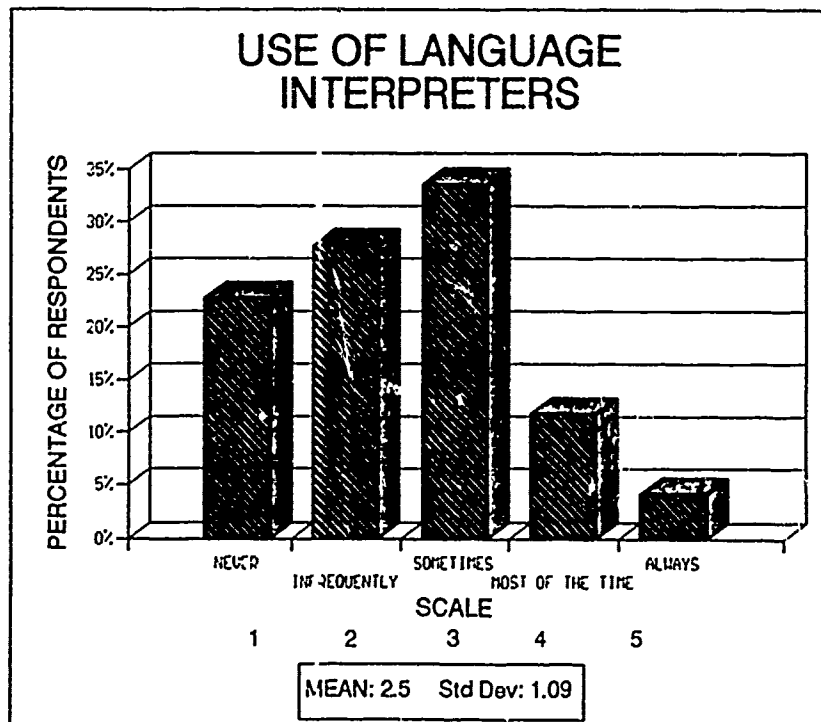


Figure 20. Use of Language Interpreters

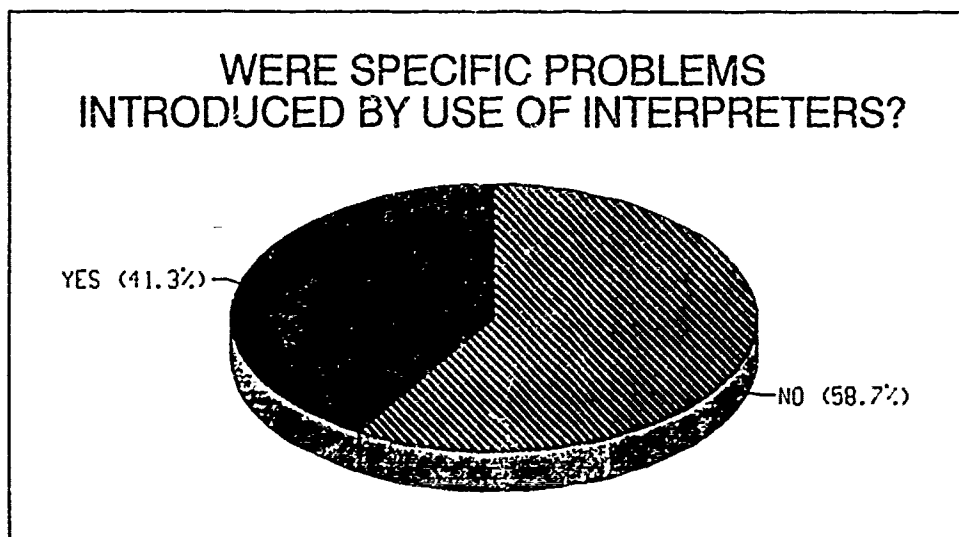


Figure 21. Problems Introduced by Use of an Interpreter

3) tendency to look at and talk to the interpreter.

The potential benefits and problems associated with the use of interpreters are illustrated in Figures 22 through 25. It was generally agreed that interpreters can improve the quality of communication, but it was almost evenly divided on whether an interpreter increased the speed of the transaction or not. This is consistent with existing literature concerning the use of interpreters. Respondents also agreed with the literature concerning what

## INTERPRETER IMPROVED THE QUALITY OF COMMUNICATION

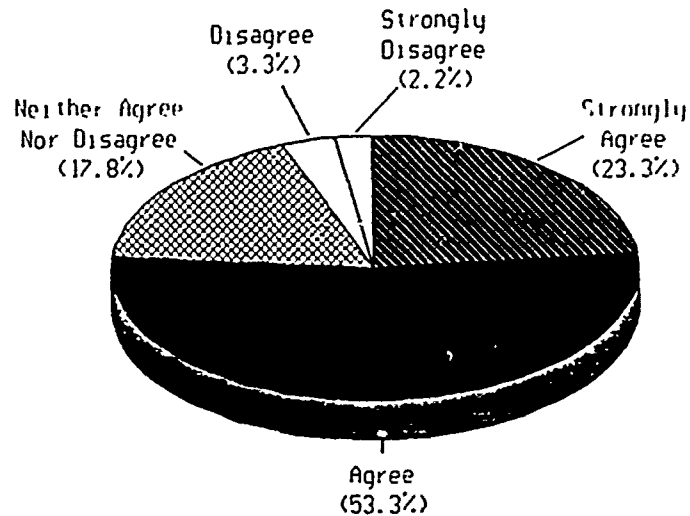


Figure 22. Interpreter Improved the Quality of Communication

## INTERPRETER INCREASED THE SPEED OF THE TRANSACTION

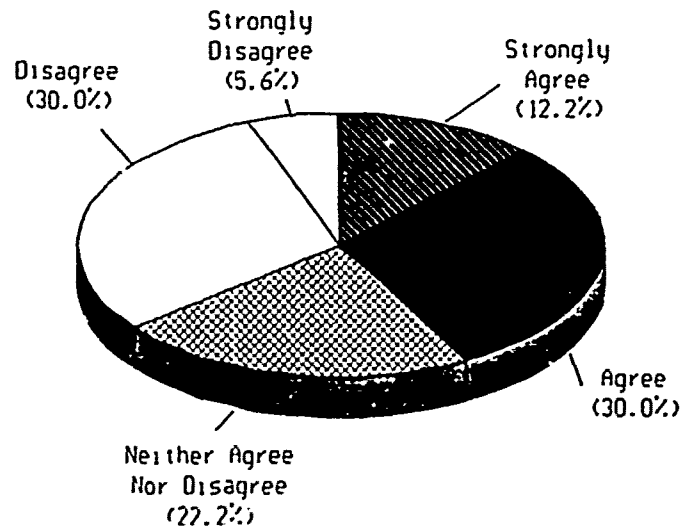


Figure 23. Interpreter Increased Speed of the Transactions

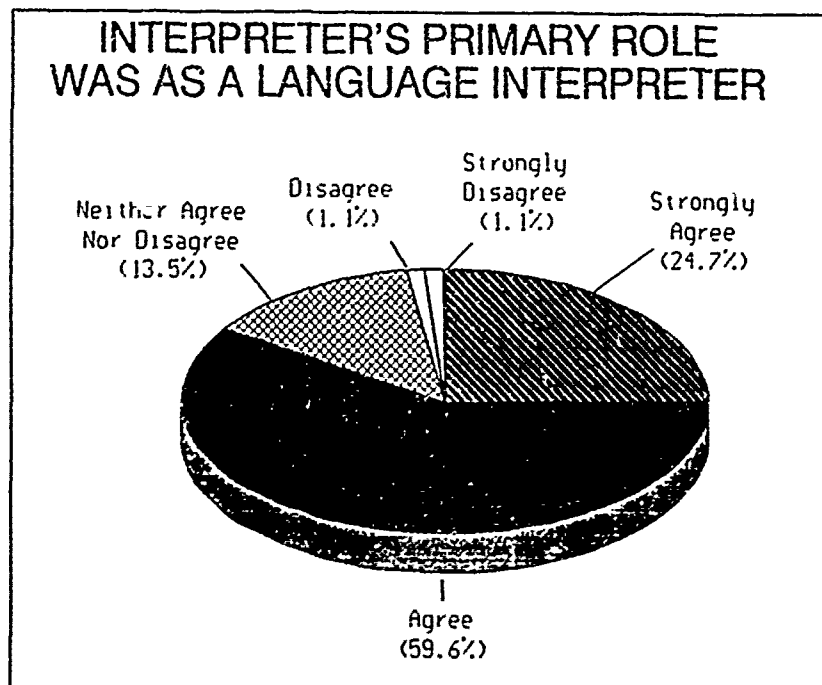


Figure 24. Interpreter's Primary Role

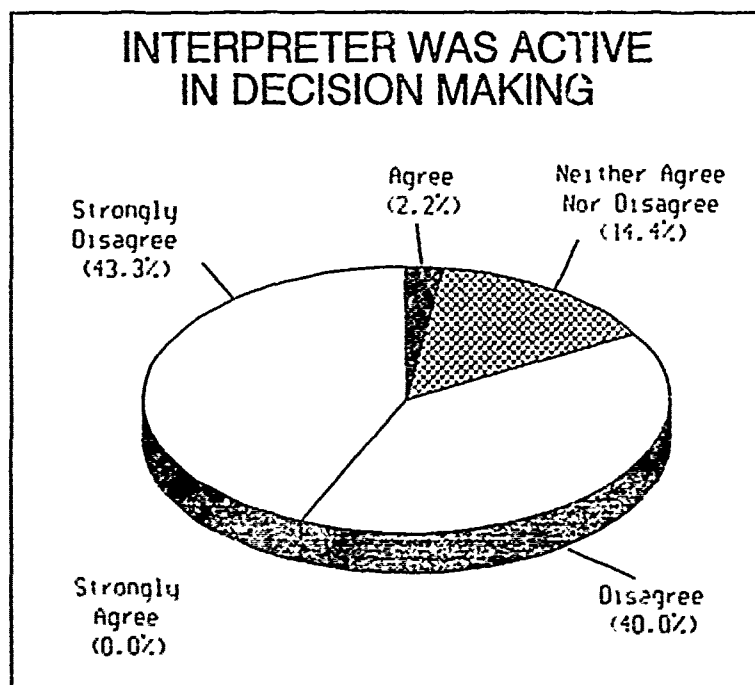


Figure 25. Interpreter Active in Decision Making

role an interpreter should play. Respondents agreed that an interpreter's primary role should be limited to that of an interpreter, and that they should not be actively involved in decision making.

#### Findings: Business and Social Etiquette

This section of the survey was used to gain insights concerning cultural factors which influence business and social etiquette and their effect on business transactions. The following investigative question guided the research:

1) Do issues related to etiquette have important impacts on international transactions? If so, what should an international businessperson understand about business and social etiquette?

Several international business and social activities require distinct etiquette rules. The literature identified the following activities which often create unique problems for the international businessperson:

1) exchange of gifts; 2) greetings; 3) exchange of business cards; 4) entertaining; 5) social conversations; 6) length of workday; and 7) international holidays. Figure 26 shows the respondents' views concerning the importance of these activities and their potential impacts on international transactions. Respondents believed that greetings and social conversations have the most important impacts on international transactions. Exchange of gifts

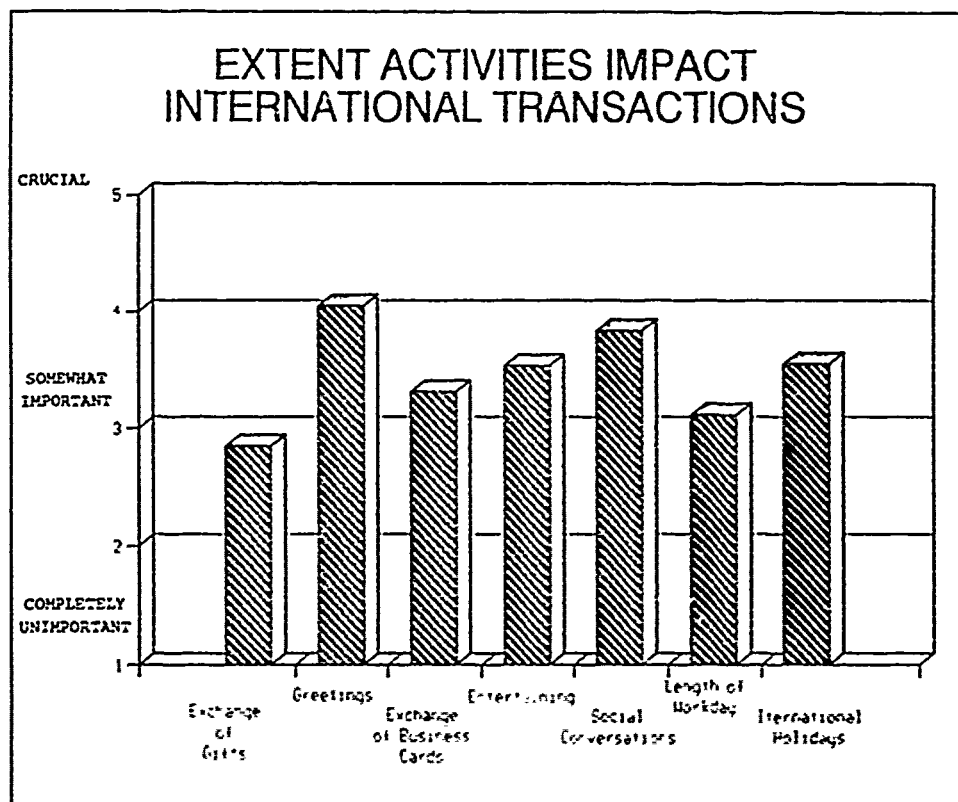


Figure 26. Extent Activities Impact Transactions

was considered the least important, but was still considered somewhat important.

Greetings/Business Cards. Several comments were made regarding the subjects of greetings and business cards. In general, comments tended to reflect the same problems and solutions that the literature discussed. Problems that were mentioned including the following: 1) confusing titles; 2) pronunciation of names; 3) not having enough cards; and 4) understanding hierarchy of counterparts. One

respondent stated that "often U.S. Government personnel don't have business cards." Another said that "you must have them, but there is no formal stress for that in DoD. I got my first business cards because I thought it was a good idea, not because the 'system' supported it."

Social Conversation. Several respondents agreed with existing literature concerning topics to avoid during conversations with international counterparts. Respondents suggested avoiding topics such as religion, politics, family, and relations with other countries. Although several respondents stated that topics to avoid varied greatly between countries, they suggested following similar guidelines for conducting formal business in the U.S. One respondent stated that "(you) cannot generalize (topics to avoid). It is a function of current events, country, etc." Another respondent suggested to "initially (avoid) family (topics) until he introduces the subject, be conservative. Knowledge of his history and culture or questions of interest are great."

Gifts. Respondents were also asked to suggest what they thought was a good international gift. Once again, respondents agreed with existing international literature concerning the subject of gift-giving. The following were suggested the most frequently: 1) pens; 2) business card holders; 3) American books; 4) American wine; and 5) items with company logo on them. Generally, respondents



suggested keeping the gift individualized and inexpensive. Also something uniquely American or that is difficult to get in their country was mentioned as a good gift.

Entertaining. On the subject of international entertaining, several comments concerning DoD officials not being able to adequately entertain international counterparts were made. One respondent stated, "the U.S. law makes it extremely difficult to reciprocate the hospitality that is usually afforded the U.S. team." Another simply stated, "bottom line--they do it better than we do." One more response stated that "U.S. Government entertainment comes out of our own pockets posing a financial burden and not allowing us to do something in a classy way." Other comments were specifically concerned with the rules regarding the acceptance of gratuities overseas and the embarrassment that turning down a gratuity can cause. Respondents seemed to agree that U.S. gratuity standards need revising.

#### Findings: General

This section of the survey was used to gain insights concerning the general subject of international business. Several of the questions in this section concerning the importance of understanding culture have been previously discussed. The main emphasis of this section was concerned with international training courses and their

effectiveness. The following investigative questions guided the research:

- 1) Are international transactions more formal than those conducted in the U.S.?
- 2) How many organizations provide international training and what is being taught?
- 3) What international training topics are most important for an individual's success overseas?

Consistent with the literature, survey respondents rated international transactions as being more formal than U.S. transactions (Figure 27). Formality of transaction is another indication that a U.S. business person's successful style of U.S. business does not simply translate to a successful international style. However, several comments indicated that it depends upon the specific country in which the business is conducted. This comment also appeared on several other questions.

Figures 28, 29 and 30 provide some interesting insights into international training. Only 32% of the respondents' organizations had any type of cultural or international training available for their people. However, approximately 66% of respondents had attended some type of international training courses. From this, it can be concluded that over half of the respondents who had international training had to go outside of their organization to get it. Keep in mind, this is from a sample of organizations which predominantly conduct only

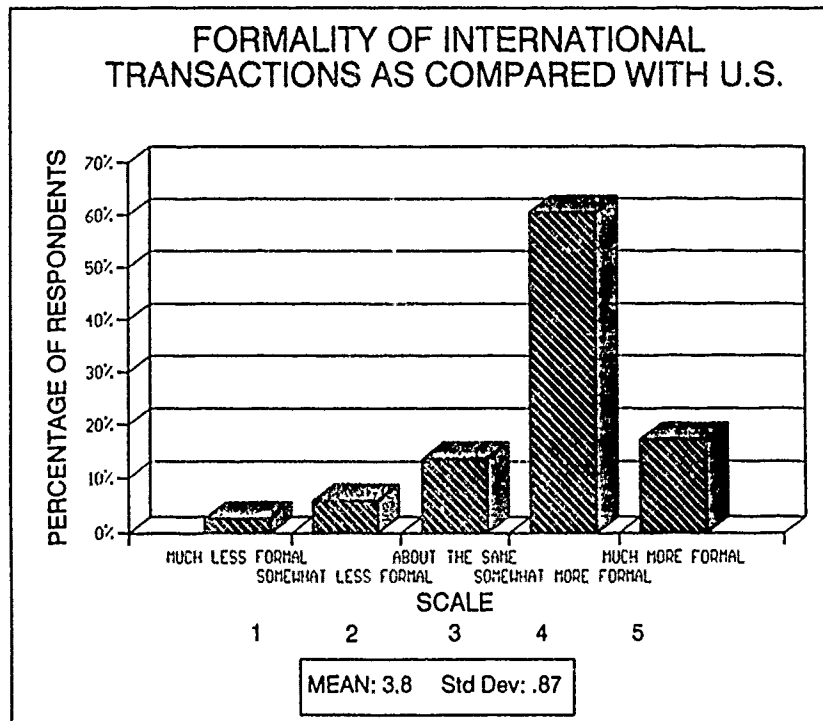


Figure 27. Formality of International Transactions

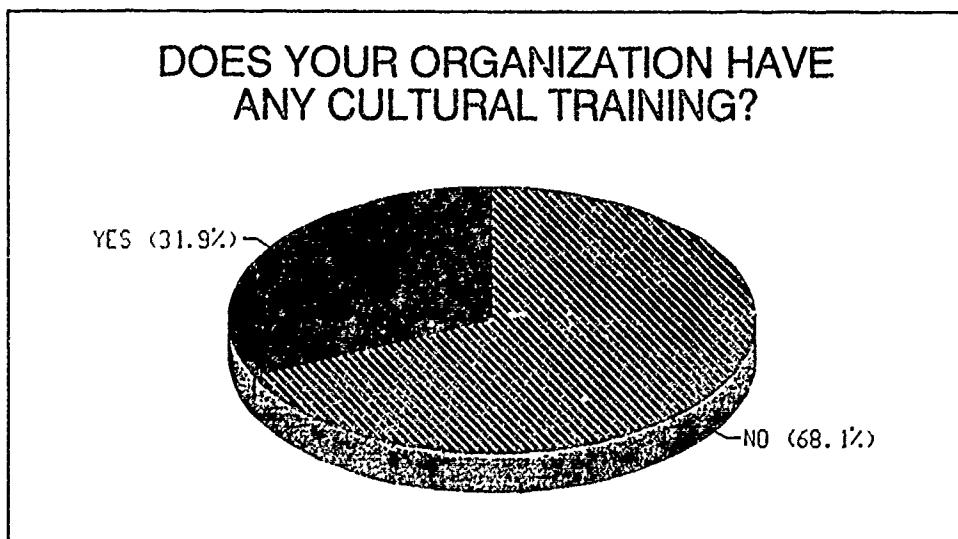


Figure 28. Organizational Training

HAVE YOU TAKEN ANY  
INTERNATIONAL TRAINING COURSES?

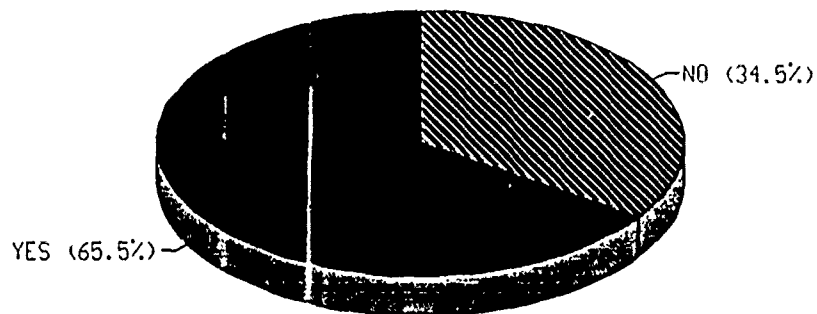


Figure 29. International Training Courses

IS INTERNATIONAL TRAINING IMPORTANT  
FOR AN INDIVIDUAL'S SUCCESS OVERSEAS?

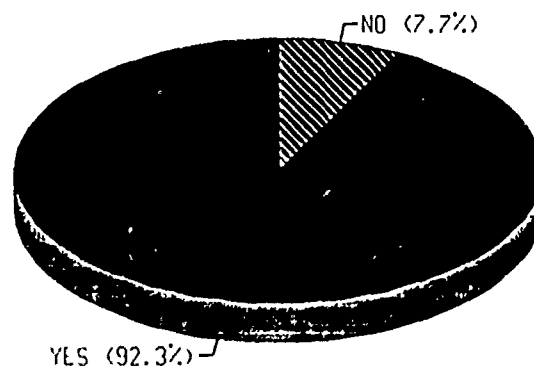


Figure 30. Importance of International Training Courses

international type business. It is perplexing that while 92% of respondents considered international training important for an individual's success overseas, only 32% of their organizations had international training courses. This also means that almost 30% of the respondents who believed training was important, were unable to attend any type of international training courses. From respondents who believed training was helpful, the following topics were considered most important: 1) culture; 2) language differences; 3) negotiation techniques/strategies; 4) business/ management practices; and 5) legal concerns.

#### Summary

The experience level of survey respondents was evident from their responses. In most areas, respondents' answers and comments were consistent with existing literature. Several of the differences can be attributed to the attempt to generalize the subject of cultural impacts on international business. Cultural diversity is extreme and difficult to generalize across regions. Other differences between responses and existing literature can be attributed to the relatively small number of private industry respondents and the potential differences caused by private and public sector disparities.

## V. Summary, Conclusions and Recommendations

### Chapter Overview

In this chapter, the results of the data analysis are summarized and conclusions are drawn about the sixteen investigative questions and research objectives. The chapter also includes recommendations for international professionals and suggestions for further research.

### Summary

The following sections summarize the research that was conducted. It includes summaries in two areas: research methodology and findings.

Research Methodology. In order to address the research objectives and gain other insights into the effects of culture in the international environment, a written survey was distributed to 204 international professionals. A total of 124 useable responses were received for an overall response rate of 60.8%. The study involved a mail survey of both private and public sector international professionals to investigate their opinions concerning cultural barriers to effective international business. Sixteen investigative questions guided the development of the questionnaire and subsequent analysis.

Findings. The questionnaire and analysis was divided into five sections: negotiations; management practices;

communication; business and social etiquette; and general issues. The following is a summary of the findings in each of these areas.

Negotiations. International business negotiations were considered by respondents to be more difficult than U.S.-only negotiations. However, survey respondents viewed international negotiations they had been involved in as successful. Several cultural factors which were thought to affect the success of these negotiations were divided into four areas: general concerns, differences, U.S. team deficiencies, and counterpart team deficiencies. Differences in legal systems, negotiation tactics, managerial styles and financial processes were the areas which presented the most problems. Respondents did not consider counterpart team deficiencies as a significant problem area.

Respondents also agreed with existing literature concerning the need for a different type of negotiation style/strategy overseas. They also agreed that Americans must be more flexible and patient in the international arena. However, respondents disagreed with literature concerning the amount of authority needed by international negotiation teams. Respondents believed that additional authority was needed to increase the success of these negotiations. Respondents also maintained that it would be extremely helpful for U.S. negotiators to study an

international counterpart's culture before the negotiation process begins. However, they also believed that U.S. business people understand a counterpart's culture only slightly well, i.e. it is important to understand other cultures and the U.S. has historically done a poor job in this area.

Management Practices. Analysis of the survey responses indicated that differing management practices/styles do create obstacles that program managers must overcome. The biggest problem associated with these differences was a general slowing of the entire process.

The analysis also revealed that personal relationships are somewhat more important in the international environment, however, they were not considered a major problem area. Respondents were split concerning whether lawyers should be actively involved in international transactions or negotiations.

Also, several factors were identified that were considered important in determining the success of international transactions. The most important of these factors were preparedness and patience of the U.S. team. International dealings were generally considered to be more time consuming without the same emphasis on time as in U.S. transactions.

Communication. Surprisingly, it was discovered that differing languages were not considered to



significantly impact the success of international programs. It was also found that a majority of survey respondents had learned "courtesy level" words such as greetings and thank you and found them useful in improving international relationships. Respondents disagreed with existing literature concerning nonverbal forms of communication. Significant differences did not exist between respondents' customary nonverbal forms of communication (such as gestures or facial expressions) and those used by or expected by their international counterparts. When differences did exist, they did not pose significant problems.

Almost half of the respondents who had used interpreters believed that specific problems were introduced by their use. Problems included lost precision and lengthening of the process. Respondents agreed that interpreters improved the quality of communication, but disagreed concerning the speed of transactions with them. Respondents also agreed that interpreters should not be actively involved in decision making, i.e. their role should be limited to language interpretation.

Business and Social Etiquette. Several etiquette areas may potentially affect the success of international transactions. These areas included the following:

- 1) exchange of gifts; 2) greetings/exchange of business cards; 3) entertaining; 4) social conversations; and

5) length of workday/holidays. Respondents believed that greetings and social conversations have the most important impacts on international transactions. Exchange of gifts was considered the least important of these factors.

General Issues. Consistent with the literature, respondents viewed international transactions as being more formal than U.S. business transactions. Only 30% of respondents' organizations had any international training. However, more than half of the respondents had taken an international training course at some time. Respondents also agreed that training was important for an individual's success overseas.

### Conclusions

For the most part, survey responses were consistent with existing literature. However, a major contribution of this study was the combining of the experiences of several international experts instead of a single author. This enabled the author to support conclusions beyond his own personal experiences.

From existing literature and primary data collected through the mail survey, several conclusions were drawn concerning the effects of cultural factors on international program success. The following conclusions correspond to investigative questions outlined previously:

1) International business negotiations are more difficult than U.S.-only negotiations due to several cultural and other factors. Therefore, the international negotiator must be prepared for these potential difficulties in order to overcome them. A U.S. businessperson can be successful negotiating overseas, but it requires knowledge of your international counterpart.

2) Several cultural factors can greatly influence the success of international negotiations. Factors associated with differences (such as managerial styles, negotiation tactics, legal systems, financial processes, etc.) between negotiating parties present the greatest problems. While it is impossible to completely resolve these difference, it is possible to lessen them with knowledge, understanding, and preparation. The impacts of other factors such as geographic separation and verbal communication can also be reduced by recognition of potential problems and taking steps to effectively deal with them. Surprisingly, few problems are associated with international counterpart team deficiencies. U.S. team deficiencies such as insufficient planning, insufficient authority, and lack of experience were believed to affect success to a greater extent. The international negotiator directly controls these factors and can greatly enhance the chances of success by effectively managing these factors.

Effective planning and accounting for these potential problem areas can lead to greater success. Recognition of the potential problem area will automatically lead to possible solutions. For example, the problems associated with language differences can be reduced with the use of interpreters and translators. Even a cursory knowledge of key terms and numbers in another language will enhance your ability to communicate.

3) It is important to adjust your international negotiating style according to the culture with which you are dealing. An international negotiator must not only be aware of cultural differences which exist, but also individual differences. The international negotiator must be more flexible and patient than in U.S. negotiations. The international negotiation process is more time consuming with more emphasis on establishing personal relationships through informal conversations and entertainment.

It is easier to build a stronger personal relationship and trust with a small negotiating team. This team should be experienced not only in negotiating techniques and the technical aspects, but also "internationally" experienced. This may require the use of a local culture expert or experienced international business traveler to accompany the team. The use of a core international negotiating team with additional technical experts partially addresses these

concerns. This team should also have sufficient authority to make decisions locally without calling or faxing back and forth to the CONUS.

4) As part of the planning and preparation for an international negotiation, the negotiator should study the counterpart's culture. While the importance of this cannot be overstated, there is a definite lack of cultural understanding by U.S. business people. The successful U.S. business person cannot simply transfer the same knowledge, tactics, and techniques overseas and expect to be successful there. The importance of this cultural preparation must be emphasized through international training courses and literature.

5) Differing management practices/styles not only create obstacles during the negotiation process, but can also cause program management problems. These problems can be overcome by recognition and understanding of different styles.

6) Personal relationships are more important in the international arena. It is important to create an atmosphere of trust throughout the entire program. This trust can be built through social contact, honesty, patience, and understanding of different culture/customs. The U.S. business person must plan for additional time to be spent building these relationships. International transactions should not be approached with the U.S.

attitude of "time is money." Informal social events can be more productive than actual meetings.

7) While lawyers have a role in the international environment, U.S. teams tend to place too much emphasis on the role of lawyers. Internationally, lawyers signify a feeling of mistrust which greatly hampers the development of personal relationships. Therefore, this author believes that lawyers should review U.S. positions, but should not accompany U.S. teams on international travel. If it is necessary for a lawyer to be a member of the team, then they should not play a prominent role during actual encounters with international counterparts. Additionally, honesty and explanations concerning U.S. business practices can go a long way in dismissing the feeling of mistrust.

8) Several management and/or organizational factors have important influences on the success of international transactions. These factors are directly controlled by the program manager and therefore should be considered before venturing into an international program. Similar to factors which affect the success of negotiations, these factors (such as preparedness, patience and technical expertise of U.S. team, familiarity with counterpart's business practices and customs, and personal ties built through the years) are important in determining the success of international transactions. Preparedness and proper planning are the keys to success. A large part of this

planning is the understanding of your counterpart's culture and customs. Proper planning and understanding of differences can overcome most of the cultural barriers to successful programs.

9) Differing languages create problems and slow the international process, but these differences do not significantly hamper the success of programs. The key to overcoming this obstacle is ensuring understanding by both parties through repetition.

10) An effective method of improving personal relationships is by showing knowledge of and interest in a counterpart's culture and customs. One way of accomplishing this is through the use of "courtesy words" such as greetings or thank you to demonstrate your interest in their language. Not only are these "courtesy words" effective in helping to establish personal relationships, but they can also be helpful in the overall communication process.

11) Survey respondents had not experienced significant problems associated with differing nonverbal forms of communication such as gestures or facial expressions. However, it is important to avoid accidentally offending a counterpart with nonverbal communications. There are numerous sources of information available on this subject such as Roger Axtell's guide to international behavior.

12) There are potential tradeoffs associated with the use of language interpreters. While interpreters do increase the quality of communication, they can also decrease the speed of the international transaction. It is this author's assertion that too much emphasis is placed on the time aspect of transactions and that the trade of speed for quality is not only worthwhile, but in many cases absolutely essential. If an interpreter is available, their role should be limited to language interpretation without being actively involved in decision making.

13) Issues related to etiquette have important impacts on international transactions. In the international arena, etiquette issues (such as greetings, social conversation, entertaining, and exchanging gifts) take on increased importance. Initial greetings carry much greater importance and formality than in the U.S. These initial moments are essential to the building of a trusting business relationship. During this time, business cards are a must for the international business person. While business cards are already a way of life in private industry, many DoD individuals do not carry business cards. International DoD organizations should stress the importance of business cards and perhaps assist with printing. Other etiquette topics are addressed in existing literature or can be summarized into "country booklets"



that should be developed and prepared for countries your organization conducts business with.

14) International transactions are more formal than U.S. transactions. This formality often translates into the necessity to remain overseas for a longer period of time. Additionally, the recognition of this difference in formality and subsequent changes to managerial style will result in a greater chance of success.

15-16) The limited number of organizations which provide international training is a big concern. This training is a valuable method of emphasizing the importance of cultural and other factors in the international marketplace. This lack of international training further deters a U.S. business person's ability to understand their international counterparts. This reflects either an oversight in the education of international business people or a lack of interest on their part.

While American culture drives us to strive for success, it also drives the "ugly American" portrait that we paint daily overseas. It is this author's belief that international education needs attention in two areas. First, the awareness that international training exists and the availability of such training appears to be lacking. Upper management needs to become more aware of the international training that is available for their people and the importance of this training. Second,

responsibility for international education falls heavily on the student. An international business person who wants to succeed must realize that the same methods and tactics that work in the U.S. may not lead to success internationally. The individual must be willing to learn and accept different ways of doing business. The arrogant American cannot succeed internationally.

### Recommendations

Based on the results of this study, the following recommendations are made to international professionals concerning the effects of cultural factors. Suggestions for further cultural research are also included.

International Professionals. Through the literature review conducted for this study, it was learned by the author that there is an abundance of existing literature concerning international business. While the amount of literature which specifically addresses the cultural effects is more limited, there still appears to be sufficient literature that addresses the subject. However, two problems exist with this literature. First, there does not appear to be much foundation for conclusions made other than the author's personal experiences. Very little extensive research appears to have been conducted regarding cultural effects. Second, for some reason U.S. representatives have apparently not learned from the existing literature. There does not appear to be wide

enough dissemination and learning of the information that is available. U.S. representatives must become more aware of cultural impacts in order to be as successful overseas as we have been in the U.S. Not only must we become more aware of these differences and their impacts, but we must also attempt to understand and deal with them.

Further Research. To further explore the effects of culture on conducting business internationally, the author recommends that similar research be conducted with additional private industry respondents. The conclusions presented by this study were limited primarily to the DoD due to the lack of private industry respondents. Additional studies need to be conducted to determine if the results reported here would be duplicated if there were more private industry respondents. After a thorough analysis of additional private industry respondents, a comparison of private and public responses should be conducted to determine if significant differences exist between sectors. Additional research in this area should also include studies in greater depth on each of the sections of the survey: negotiations; management practices; communications; and business and social etiquette. While a cursory review has been performed on each of these subjects, more complete research of these subjects could prove to be valuable to the international businessperson. This is especially true concerning the area of international negotiations

In order to further narrow the scope of research, more in depth cultural research should be conducted concerning different regions of the world. As has been discussed several times during this thesis, it is difficult to generalize across regions of the world concerning cultural impacts. The rules are different in different regions and these should be addressed in a series of in depth studies of different areas.

Another recommendation for further research would be to reverse the perspective of the study to that of other countries. Instead of examining the effects of culture from a U.S. businessperson perspective, it would be valuable to examine the perspectives of our international counterparts. A main goal of this research would be to address what U.S. representatives could do to better bolster their positions, companies, and country.

## Appendix A: Survey Letters and Questionnaire



DEPARTMENT OF THE AIR FORCE  
AIR UNIVERSITY  
AIR FORCE INSTITUTE OF TECHNOLOGY  
WRIGHT-PATTERSON AIR FORCE BASE OH 45433-4511

3 June 1991

Dear International Colleague,

I am a faculty member at the Air Force Institute of Technology (AFIT) in Dayton, Ohio. Since about 1984, I have conducted research on the management of international projects as part of my doctoral dissertation, and subsequently in cooperation with the Defense Systems Management College (DSMC) in the Washington, D.C. area.

I am continuing that research in conjunction with the efforts of a master's student currently at AFIT, Captain Tony Amadeo. We have decided to focus this part of the research on the effects of cultural differences on the negotiation and management of international projects. Specifically, the research objectives are: 1) to identify cultural barriers to successful international projects, and 2) to identify potential solutions for these problems. The research addresses both the military and civilian sectors, and will compare the results.

We need your help to make this research successful. You were personally chosen because of your experience and your interest in international projects. Many of you have attended one or both of the international courses at DSMC. I urge you to help us out as I am confident that the results will be very useful to all "internationalists" who are seeking to understand their environment a little better.

To that end, we have enclosed a survey entitled "Cultural Barriers to International Business." Please fill it out and return it in the envelope provided. If your schedule permits, we would appreciate your response within a few weeks after you receive this package. Tony or I will call your office in about a week to ensure you received the survey. We promise to keep your individual answers strictly confidential.

The results will be available in several ways. For those of you who assist us with the study, an executive summary will be provided directly to you. Further, the information will be incorporated in Captain Amadeo's thesis, in DSMC course materials, in a forthcoming book on international contracting sponsored by the National Contract Management Association, and in journals such as Program Manager.

Thank you very much for your help with this important work. Please refer any questions to me at 513-255-4845 at work or 513-878-7125 at home. You may also contact Capt Amadeo at 513-434-2092 at home.

*C. Michael Farr*  
C. Michael Farr, Lt Col, USAF  
Chief, Systems Management Division  
Air Force Institute of Technology

STRENGTH THROUGH KNOWLEDGE

Please be sure that this questionnaire is filled out by the person for whom it was addressed or person with international business experience. **THANK YOU.**

### CULTURAL BARRIERS TO INTERNATIONAL BUSINESS

We will greatly appreciate your assistance in this major study. Your answers are of particular importance since you have been selected as part of a sample representative of today's international professionals. Under no circumstances will your individual answers be divulged -- they will be used only in combination with those of other people responding to the study. For most of the questions, your answers can be given simply by checking the appropriate box or boxes. In any question area in which you do not feel that you have sufficient experience to answer, please answer with "no comment."

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**Part I: Demographics** - This section will be used to gain background information about people completing this survey.

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1. What position and job title do you now hold? (If you work for the Government, also indicate military or civil service rank.)

2. If Government, please specify which service you work for? If Industry, please specify which sector (aircraft, munitions, electronics, etc.)?

3. How many years of international experience do you have?

Years DoD Programs

\_\_\_\_ As Government representative  
\_\_\_\_ As Contractor representative

\_\_\_\_ Years Private Sector  
(Non-DoD programs)

4. Have you ever lived overseas?

☐ NO

☐ YES If YES, in what country did you live and for how long?

5. What types of international ventures have you been involved with during your career? (Please check as many as apply.)

DoD

- ☐ Joint Testing
- ☐ Coproduction
- ☐ Cooperative R&D
- ☐ Foreign Sales (Exporting)
- ☐ Foreign Buying (Importing)
- ☐ Technical Assistance
- ☐ Information Exchange, S&E Exchange
- ☐ Other

COMMERCIAL/OTHER

- ☐ Joint Venture - R&D
- ☐ Joint Venture - Production
- ☐ Licensing
- ☐ Long Term Strategic Alliance
- ☐ Other \_\_\_\_\_

6. Which of the following activities have you personally been involved with in the past 36 months? (Please check as many as apply.)

- ☐ Written an international contract
- ☐ Negotiated an international contract, Government MOU, or other deal
- ☐ Attended an international negotiation
- ☐ Conducted technical discussions with international counterparts
- ☐ Conducted a meeting with international representatives
- ☐ Attended a meeting with international representatives
- ☐ Entertained international representatives
- ☐ Other international business activity (please specify)

☐ NONE of these

---

**Part II: Corporate Culture** - This section will be used to gain insights concerning cultural factors which influence business behavior in the international environment. It has three subsections: negotiations; management practices; and communication.

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**A. NEGOTIATIONS** (This subsection will deal specifically with the negotiation process.)

1. Have you personally been involved in an international negotiation?

- ☐ NO      If NO, please go to Section B, Management Practices, on page 4.
- ☐ YES      If YES, what was your role?

2. Indicate the appropriate relationship of the negotiation participants.

- ☐ U.S. Government to International Government
- ☐ U.S. Government to International Business
- ☐ U.S. Business to International Business

3. From your perspective as a U.S. participant, how would you rate the success of international negotiations you have been involved with:

VERY UNSUCCESSFUL	SOMEWHAT UNSUCCESSFUL	NEUTRAL	SOMEWHAT SUCCESSFUL	VERY SUCCESSFUL
1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. How would you rate the difficulty of international business negotiations as compared with U.S. business negotiations?

MUCH LESS DIFFICULT	SOMEWHAT LESS DIFFICULT	ABOUT THE SAME	SOMEWHAT MORE DIFFICULT	MUCH MORE DIFFICULT
1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. Describe the extent to which the following international concerns have affected negotiation success:

	NEVER A PROBLEM	1	2	3	4	EXTREME PROBLEMS
		1	2	3	4	5
Geographic separation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Verbal communication	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Nonverbal communication	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mismatched technological capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Differing managerial practices/styles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Differing negotiation tactics/styles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Differing legal systems	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Differing social customs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Differing financial processes/systems	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Inability to establish personal relationships	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
U.S. team deficiencies:						
Insufficient planning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lack of technical expertise	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Insufficient authority	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Team too small	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lack of experience	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Counterpart team deficiencies:						
Insufficient planning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lack of technical expertise	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Insufficient authority	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Team too small	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lack of experience	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

6. Is a different type of negotiation style/strategy required overseas?  
☐ NO    ☐ YES    If YES, please identify negotiation styles which proved effective. (Please specify by country.)

7. To what extent would it be helpful for a U.S. negotiator to study an international counterpart's culture before the negotiation process begins?

NOT HELPFUL AT ALL		MODERATELY HELPPFUL		EXTREMELY HELPPFUL
1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. What was the composition of your negotiation team (size, expertise, level of authority, experience)? Describe how this composition helped or hindered the negotiations?



9. Describe your most memorable international negotiating experience. Was it successful or not, and what factors made it so?

**B. MANAGEMENT PRACTICES** (This subsection assumes an international business partnership has been successfully negotiated, and addresses the management of that partnership.)

1. To what extent did the management practices of your international counterpart differ from common U.S. practices?

NO DIFFERENT 1 [ ]	SLIGHTLY DIFFERENT 2 [ ]	MODERATELY DIFFERENT 3 [ ]	SIGNIFICANTLY DIFFERENT 4 [ ]	EXTREMELY DIFFERENT 5 [ ]
-----------------------------	-----------------------------------	-------------------------------------	--	------------------------------------

If you answered "SIGNIFICANTLY DIFFERENT" or "EXTREMELY DIFFERENT" to question #1, what problems did these management differences create? (Please specify by country.)

2. How would you rate the importance of personal relationships in the international environment as compared with U.S. business transactions?

MUCH LESS IMPORTANT 1 [ ]	SOMEWHAT LESS IMPORTANT 2 [ ]	ABOUT THE SAME 3 [ ]	SOMEWHAT MORE IMPORTANT 4 [ ]	MUCH MORE IMPORTANT 5 [ ]
------------------------------------	--	-------------------------------	--	------------------------------------

If you answered "SOMEWHAT MORE IMPORTANT" or "MUCH MORE IMPORTANT" in question #2, describe how a U.S. businessperson can develop successful personal relationships?

3. In question #2, please indicate the relationship which existed between the business participants.

[ ] U.S. Government to International Government  
[ ] U.S. Government to International Business  
[ ] U.S. Business to International Business

4. Should U.S. lawyers actively participate in international management and/or negotiation meetings? Please explain.

5. What role should U.S. lawyers play in negotiating and/or managing international programs?

6. Identify the relative importance of the following factors in the success of international transactions:

	NOT IMPORTANT AT ALL	1	2	SOMEWHAT IMPORTANT	3	4	EXTREMELY IMPORTANT	5
Preparedness of US team	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Patience of US team	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Familiarity with international counterparts' business practices	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Familiarity with international counterparts' customs	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Personal ties built over the years	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Technical expertise of US team	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]

C. COMMUNICATIONS (The questions in this subsection address communication factors in international programs you have participated in or witnessed.)

1. Did differing languages create problems during the international program?  
[ ] NO [ ] YES If YES, what problems were experienced?

2. To what extent did the problems created by differing languages impact the success of the program?

NO IMPACT	SLIGHT IMPACT	MODERATE IMPACT	SIGNIFICANT IMPACT	EXTREME IMPACT
1	2	3	4	5
[ ]	[ ]	[ ]	[ ]	[ ]

3. Did members of your international team learn any "courtesy level" foreign words such as greetings or thank you? ☐ NO ☐ YES

If YES, to what extent was this useful in improving personal relationships?

NOT USEFUL AT ALL	SLIGHTLY USEFUL	MODERATELY USEFUL	SIGNIFICANTLY USEFUL	EXTREMELY USEFUL
1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. How different were your customary nonverbal forms of communication such as gestures or facial expressions from those used by or expected by your international counterpart?

NO DIFFERENT	SLIGHTLY DIFFERENT	MODERATELY DIFFERENT	SIGNIFICANTLY DIFFERENT	EXTREMELY DIFFERENT
1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you answered "SIGNIFICANTLY DIFFERENT" or "EXTREMELY DIFFERENT" to question #4, what specific problems, if any, did these present? (Please specify by country.)

5. How often have you used language translators during international transactions?

NEVER	INFREQUENTLY	SOMETIMES	MOST OF THE TIME	ALWAYS
1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If NEVER, skip to question #7.

6. Were any specific problems introduced by the use of a translator?

☐ NO ☐ YES If YES, please explain:

7. If you have used translators during international transactions, indicate your agreement or disagreement with the following statements? (Check one box for each statement.)

	STRONGLY AGREE	AGREE	NEITHER AGREE NOR DISAGREE	DISAGREE	STRONGLY DISAGREE
The translator improved the quality of communication.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The translator increased the speed of the transaction.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The translator's primary role was as an interpreter.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The translator was actively involved in decision making.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

---

**Part III: Business and Social Etiquette** - This section will be used to gain insights concerning the cultural factors which influence business and social etiquette and their effect on business transactions.

---

1. Describe the extent to which the following activities have important impacts on international transactions.

	COMpletely UNIMPORTANT		SOMEWHAT IMPORTANT		CRUCIAL
	1	2	3	4	5
Exchange of gifts	[ ]	[ ]	[ ]	[ ]	[ ]
Greetings	[ ]	[ ]	[ ]	[ ]	[ ]
Exchange of business cards	[ ]	[ ]	[ ]	[ ]	[ ]
Entertaining	[ ]	[ ]	[ ]	[ ]	[ ]
Social conversation	[ ]	[ ]	[ ]	[ ]	[ ]
Length of workday	[ ]	[ ]	[ ]	[ ]	[ ]
International holidays	[ ]	[ ]	[ ]	[ ]	[ ]

**For questions 2 through 6, please specify country by country if differences exist.**

2. From your experiences, what constitutes a good international business gift for a U.S. businessperson to give?

3. From your experiences, what conversational topics should be avoided with international counterparts?

4. What problems, if any, have you encountered with greetings, titles or the exchange of business cards?

5. What problems, if any, have you encountered concerning differing business hours or international holidays?

6. What problems, if any, have you encountered while entertaining or being entertained by your international counterpart?

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**Part IV: General** - This section will be used to gain insights concerning the general subject of international business.

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1. Identify, by country, any problems which you believe occurred because of cultural differences during your international business transactions (negotiations, management, etc.). If none, enter "none" and skip to question #3.

2. For each factor identified in question #1, please indicate any solutions that were effectively employed for coping with the problem (or a solution that you believe would have solved the problem).

3. To what extent is it important to understand the culture of international counterparts?

NOT IMPORTANT AT ALL	SLIGHTLY IMPORTANT	MODERATELY IMPORTANT	SIGNIFICANTLY IMPORTANT	EXTREMELY IMPORTANT
1	2	3	4	5
[ ]	[ ]	[ ]	[ ]	[ ]

4. In your opinion, how well do U.S. business people understand the culture of their international business counterparts before transactions begin?

NOT WELL AT ALL	SLIGHTLY WELL	MODERATELY WELL	SIGNIFICANTLY WELL	EXTREMELY WELL
1	2	3	4	5
[ ]	[ ]	[ ]	[ ]	[ ]

5. Does your organization have any training concerning the culture of your international counterpart?

☐ NO

☐ YES If YES, please describe the training (formality, topics).

6. Have you taken any international training courses? If so, what was the source of the training?

7. Do you believe that international training is important for an individual's success in the international business environment?

☐ NO

☐ YES If YES, what topics are most important?

8. How would you rate the formality of transactions with international counterparts as compared with transactions between U.S. businesses?

MUCH LESS FORMAL 1	SOMEWHAT LESS FORMAL 2	ABOUT THE SAME 3	SOMEWHAT MORE FORMAL 4	MUCH MORE FORMAL 5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

9. From your experiences, how often are host country nationals used to negotiate or assist on behalf of a company, either as employees or consultants?

NEVER 1	INFREQUENTLY 2	SOMETIMES 3	MOST OF THE TIME 4	ALWAYS 5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

10. Please provide any other comments related to international transactions that you believe are important and have not been addressed.



DEPARTMENT OF THE AIR FORCE  
AIR UNIVERSITY  
AIR FORCE INSTITUTE OF TECHNOLOGY  
WRIGHT-PATTERSON AIR FORCE BASE OH 45433-0563

2 July 1991

Dear

Captain Tony Amadeo and I would like to express our gratitude for your assistance with our study of the effects of cultural differences on the negotiation and management of international projects.

The reliability of our findings depended heavily on the response of individuals from your organization. Your assistance in distributing the survey to qualified personnel with international experience greatly enhanced our results.

As we mentioned earlier, the results of our study will be available in several ways. An executive summary will be provided directly to you for your organization. Further, the information will be incorporated in Captain Amadeo's thesis, in Defense Systems Management College course materials, in a forthcoming book on international contracting sponsored by the National Contract Management Association, and in journals such as Program Manager.

Your support of the Air Force Institute of Technology and its graduate program is greatly appreciated. Please refer any future questions to me at 513-255-4845 at work or 513-878-7825 at home. You may also contact Captain Amadeo at 513-434-2092.

*Mike Farr*

C. Michael Farr, Lt Col, USAF  
Chief, Systems Management Division  
Air Force Institute of Technology

STRENGTH THROUGH KNOWLEDGE



DEPARTMENT OF THE AIR FORCE  
AIR UNIVERSITY  
AIR FORCE INSTITUTE OF TECHNOLOGY  
WRIGHT-PATTERSON AIR FORCE BASE OH 45433-8583

24 June 1991

Dear International Colleague,

A short time ago, you received a survey entitled "Cultural Barriers to International Business" from Captain Tony Amadeo and myself. This research is concerned with the effects of cultural differences on the negotiation and management of international projects. The most effective method of obtaining data concerning this area is to rely on the experiences of industry and Department of Defense (DOD) international experts like yourself.

If you have already returned the questionnaire, please ignore this letter and accept our thanks for your cooperation. If you never received or have misplaced the original questionnaire, please contact either Tony or myself and we will gladly forward another questionnaire.

We hope that you will agree to spend the time and thought necessary to answer the questions, since your response will be an important contribution to the success of the study. Questionnaires are being sent only to a representative sample of industry and Department of Defense international professionals, and the reliability of the findings depends heavily on the response of each individual in the sample.

Many thanks for your help. Please refer any questions to me at (513) 255-4845 at work or (513) 878-7825 at home. You may also contact Captain Amadeo at (513) 434-2092 at home.

*C. Michael Farr*  
C. Michael Farr, Lt Col, USAF  
Chief, Systems Management Division  
Air Force Institute of Technology

STRENGTH THROUGH KNOWLEDGE





DEPARTMENT OF THE AIR FORCE  
AIR UNIVERSITY  
AIR FORCE INSTITUTE OF TECHNOLOGY  
WRIGHT-PATTERSON AIR FORCE BASE OH 45433-4543

10 July 1991

Dear International Colleague,

In a continuing stream of research on the management of international projects, I am working with a master's student (Captain Tony Amadeo) at the Air Force Institute of Technology in examining the effects of cultural differences on negotiating and managing international projects. The attached package contains a survey and a cover letter with further details about the research. That package has already been sent to selected "internationalists" primarily within the continental United States.

If you are interested and can spare the time, we would greatly appreciate your insights. You may either return the survey to me by the end of the week or mail it to my office later. If you don't have time to complete the entire survey, I would certainly be interested in any verbal comments you might have while we're at the seminar this week.

Thanks very much for your consideration and I wish you good fortune in your future international endeavors.

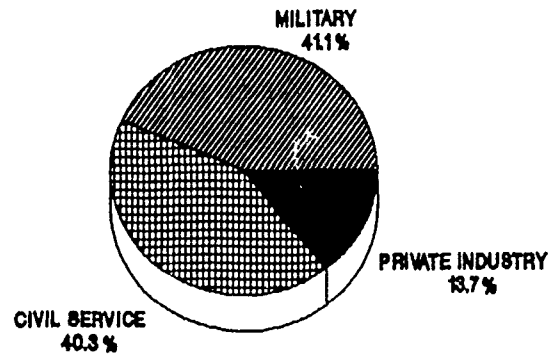
*Mike Farr*  
C. Michael Farr, Lt Col, USAF  
Chief, Systems Management Division  
School of Systems and Logistics  
Air Force Institute of Technology  
Wright-Patterson Air Force Base, Ohio 45433

513-255-4845 (Office)  
513-878-7825 (Home)

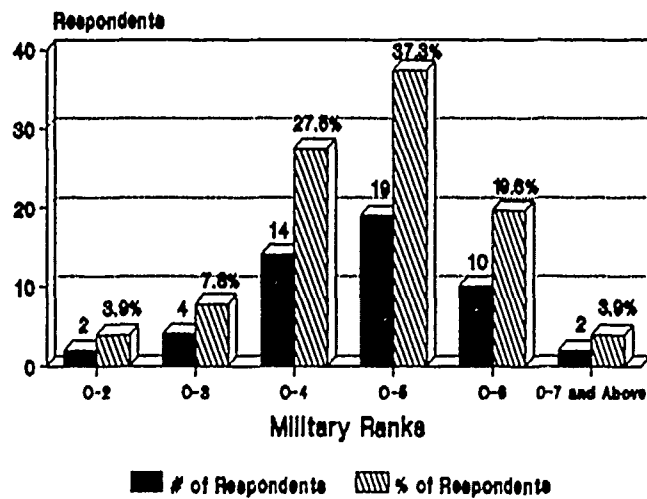
STRENGTH THROUGH KNOWLEDGE

Appendix B: Profile of Survey Respondents

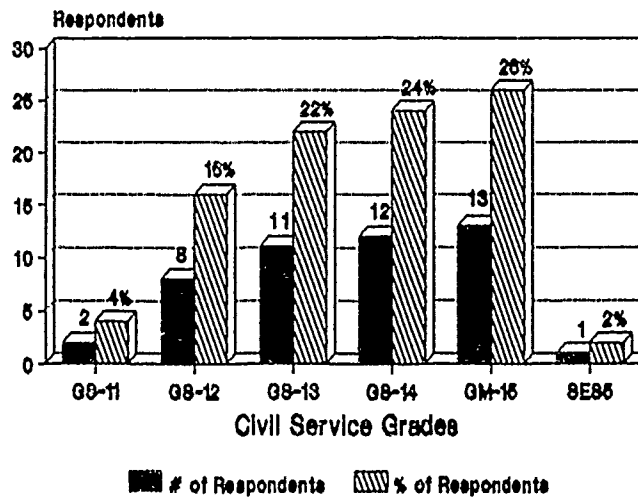
## WORKFORCE COMPOSITION OF RESPONDENTS



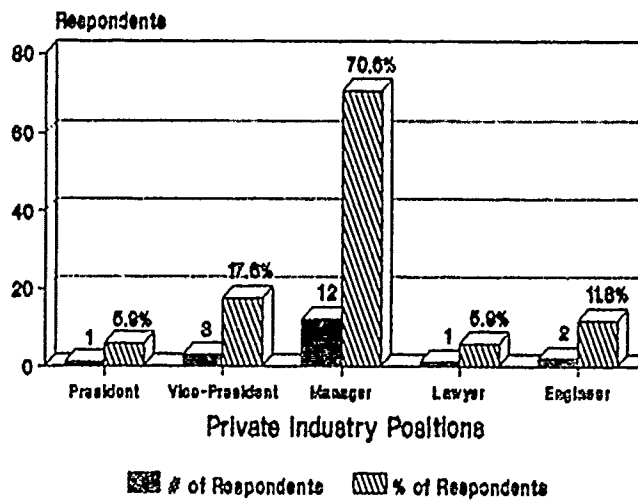
## RANKS OF RESPONDENTS ACTIVE DUTY MILITARY



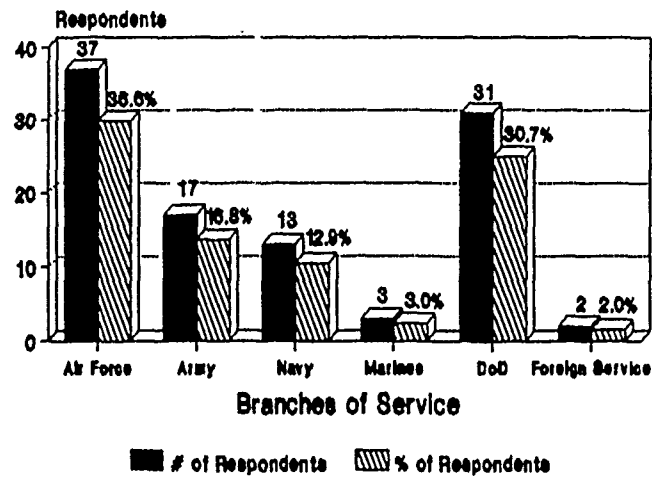
### GRADES OF RESPONDENTS CIVIL SERVICE



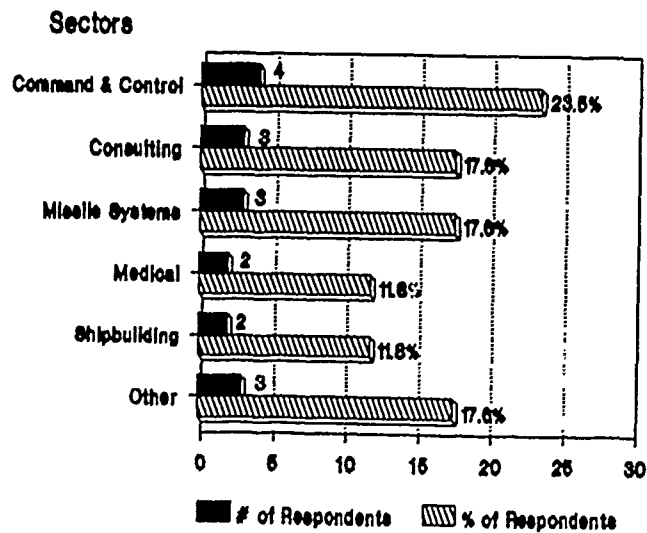
### POSITIONS OF RESPONDENTS PRIVATE INDUSTRY POSITIONS



## BRANCHES OF SERVICE (Military and Civil Service)

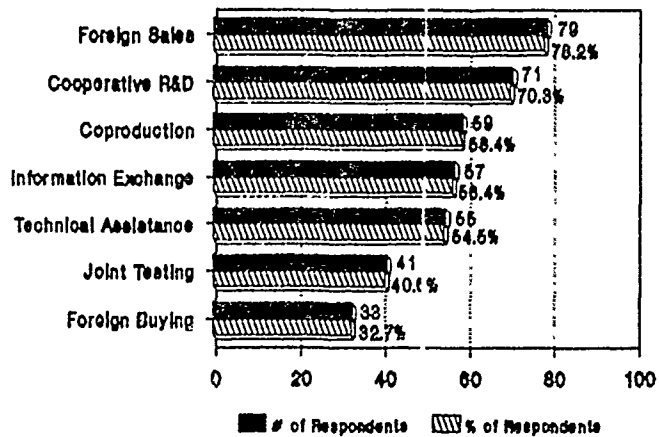


## PRIVATE INDUSTRY SECTORS



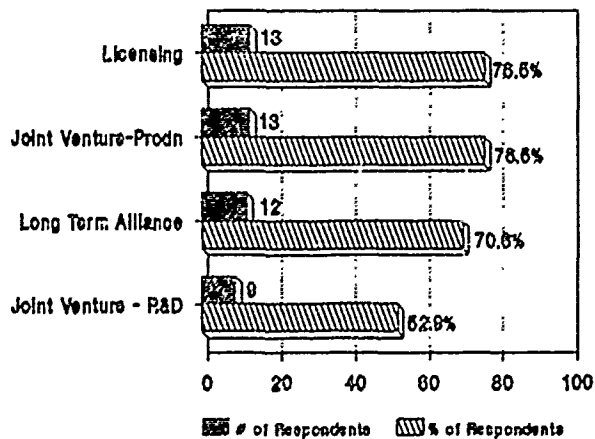
## INTERNATIONAL VENTURE EXPERIENCE DoD VENTURES

### DoD Ventures



## INTERNATIONAL VENTURE EXPERIENCE COMMERCIAL VENTURES

### Commercial Programs



JOB TITLES/POSITIONS HELD  
BY RESPONDENTS

JOB TITLES	NUMBER OF RESPONDENTS	% OF RESPONDENTS
Engineering Operations Manager/Defense Cooperation in Armament Manager/Staff System Engineer	6	4.8%
Purchasing Manager/Manager of Purchasing Services	4	3.2%
Academic Titles	10	8.1%
Program Manager/Director of Programs	38	30.6%
Vice President	3	2.4%
Program Element Monitor	3	2.4%
Int'l Cooperative Program Specialist	2	1.6%
Principal Assistant Deputy Under Secretary of Defense (Int'l Programs)	1	.8%
President/Manager - Consulting Firm	2	1.6%
Special Assistant to Director/Military Assistant to Director/Assistant Director	3	2.4%
Int'l Program Integration Officer	1	.8%
Program Analyst/Senior System Analyst	4	3.2%
Chief of Staff	1	.8%
Chief, Cooperative Programs	1	.8%
Foreign Disclosure Officer	1	.8%
Foreign Military (France, Canada)	2	1.6%
Quality Assurance Specialist	4	3.2%
Contracting	4	3.2%
Int'l R&D Staff Officer/Int'l R&D Manager/Chief, Int'l Research and Tech/US Army Research, Development and Standardization Group	7	5.6%
Attache - Netherlands	1	.8%
Senior Technical Advisor	1	.8%
Chief ODC Navy - Germany	1	.8%

JOB TITLES	NUMBER OF RESPONDENTS	% OF RESPONDENTS
OUSDA)	1	.8%
Head Foreign Liaison Branch of Technology Transfer	1	.8%
Plans and Resources Officer	1	.8%
Industrial Property Manager	1	.8%
Lawyer	3	2.4%
International Standardization Officer	1	.8%
Chief, ODC	1	.8%
Armament Engineer	1	.8%
AFSC Liaison to USAFE	1	.8%
Chief, Regulatory Counsel	1	.8%
Chief, Office of Defense Cooperation - France	1	.8%
Country Director, Defense Security Assistance Agency	1	.8%
Chief, Joint Service (Foreign Technology Branch)	1	.8%
US Liaison Officer to NATO	1	.8%
Government Marketing Manager	1	.8%
Scientific Advisor	1	.8%
Director of Program Control	1	.8%
Department Head - MITRE	1	.8%
Deputy Chief Acquisition Policy Division	1	.8%

ACTIVITIES RESPONDENTS HAVE BEEN PERSONALLY  
INVOLVED WITH IN LAST 36 MONTHS

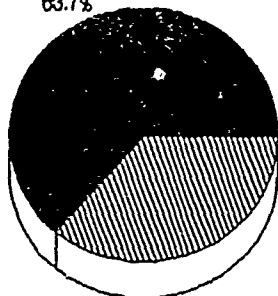
Activities	Number Who Have Participated in Last 36 Months	% of Respondents Who Have Participated in Last 36 Months
Written an international contract	25	20.2%
Negotiated an international contract, Government MOU, or other deal	54	43.5%
Attended an international negotiation	75	60.5%
Conducted technical discussions with international counterparts	99	79.8%
Conducted a meeting with international representatives	105	84.7%
Attended a meeting with international representatives	114	91.9%
Entertained international representatives	94	75.8%



## RESPONDENTS WHO HAVE LIVED OVERSEAS

HAVE LIVED OVERSEAS

63.7%

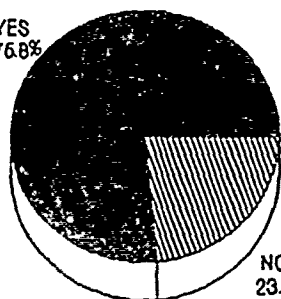


36.3%

HAVE NOT LIVED OVERSEAS

## PERSONALLY INVOLVED IN INTERNATIONAL NEGOTIATIONS

YES  
76.8%



NO  
23.4%

### Appendix C: Open-Ended Responses

The following is intended to be an objective listing of the comments received from the open-ended questions of the survey. To maintain an objective presentation of the comments received, no significant editing was performed. Grammar and spelling were changed only when necessary to ensure clear meaning.

**1. If you have personally been involved in an international negotiation, what was your role?**

-Principal negotiator.

-Have served as the head of the negotiation team and also as an expert advisor to a negotiating team.

-To establish licenses; helping sell to foreign government.

-Lead Air Force Representative.

-Chief Technical Advisor to U.S. committee on multilateral export controls (COCOM) May 1991, Paris, France.

-My original role was the lead of the U.S. effort on a team of ours and a German company developing a cannon. Recently, I was the senior executive (U.S) in a multi-nation (NATO) funded program to develop a precision 155mm round.

-Japan Program Manager for the Strategic Defense Initiative Organization--reviewed and briefed U.S. and Japanese representatives concerning transfer of U.S. and Japanese classified data/documents.

-1) Local U.S. representative to delegation negotiating Short Range Air Defense (SHORAD) MOU with GE. 2) Prenegotiation on U.S. entry to existing tri-partite MOU Counter Battery Radar System (COBRA).

-Technical advisor.

-Numerous different roles but usually lead negotiator to purchase productive parts; also license agreement and long term R&D contract.

-Many over 16 3/4 years--from team member representing HQDA to senior U.S. representative.

- MOU--Program Manager Input to management, Contracts, Requirements, etc. issues.
- Technical sales representative.
- Purchasing/Planning representative on company team.
- Assist U.S. delegation in Germany during negotiations; ran arrangements, facilitated communication between Washington and Bonn pre-and post-negotiation.
- Technical Advisor.
- Lead Technical Negotiator for US/GE joint interoperability test accord. Participant in creation and implementation of Future Tank Main Armament MOU with UK/FR/GE. Area experts for US/UK potential sale MOU negotiations.
- Liaison in country between U.S. team and Germany.
- Text-staffing International MOU, audit, prof. policies.
- Management of the U.S. Document (information exchange).
- Facilitator for U.S. side.
- Six years--counsel to various negotiating teams and member of team; Four years--private consultant to negotiating teams.
- Coordinated administration aspects of negotiations for OUSD(A) I.P.; coordinated all staffing requirements.
- Negotiator and Internationalist.
- Joint Program Manager.
- Administrative Assistant to Project Manager.
- MOU update to include international exchange rates; negotiation of an international contract.
- Head of the joint project management office/U.S. representative (Prime/Co-chairman).
- Negotiate procedures under which Air Traffic Control would be conducted.
- Assistant Negotiator to MPA-90 MOU with FRG.
- Chief Negotiator.
- Knowledge Broker, Strategist, Negotiator, Editor, etc.

- Commercial representative for our company.
- Participant in joint development.
- Lead negotiator.
- US representative.
- Usually as U.S. government coordinator for U.S. technical/functional specialists, often as senior U.S. government representative.
- Drafted and negotiated a cooperative R&D agreement between the U.S. Government and the 13-nation NATO AWACS program management organization.
- F-16 Systems Program Office Representative in Korea-U.S. MOU negotiations.
- Program Manager.
- Translator, official government U.S. representative.
- Legal advisor representing the Secretary of the Air Force General Counsel.
- Observer.
- I was the case manager for the Austrian and Korean FMS program in the Air Force International Logistics Center.
- Developing training program with MOU--Negotiations on Termination for Convenience--Assist with Major BWYS.
- Establishing MOA/MOU, for host country CAS TRNG, PMRs (Program Management Review).
- Support to Program Management Review (PMR) on F-16 coproduction programs. Daily interface with Senior RSAF personnel while in Saudi Arabia.
- Insurance modifications to U.S. DOD contracts. Also issued delivery orders.
- Specialist in contract administration--quality assurance.
- US Government representative implementing host country CAS delegation(s).
- Director of PCO shop that reviewed ratified buys--some of which were with outside CONUS contracts. Also bought

limited items as a ship supply officer from outside CONUS vendors.

- Contracting officer (PCO & ACO)/Manufacturing officer (Technical evaluation of proposal).

- Resident expert in supply, Logistic Management & Property Management for Army Corps of Engineers and for U.S. Navy in FMS projects with Saudi Arabian MOU.

- ACO and Commander--for repair/overhaul facility.

- Technical Advisor to the ACO and PCO.

- Material Management Technical Advisor

- Lead U.S Representative; part of U.S. negotiating team.

- Make certain we could do what was negotiated and guard against requirement creep.

- Technical, Price Negotiations; Business, Management Arrangements

- Leader of team

- Staff Officer; laser projects component leader; legal/representative; co-venture director.

- Government representative

- As the Program Director Modular Standoff Weapon and head of the MSOW International Program Office I attended the negotiations of the Project Definition Supplement to the General MSOW MOU. The MOU was structured such that the General MOU was an overview document with some "rules of the game" but which upon signature did not commit any of the participants to any funding. For each phase of the program there would be a supplement to this MOU which provided details for the phase including a financial annex with a not-to-exceed amount by country by fiscal year for that phase. What I did in the negotiations was to inject the program director's view as to the impact or from my perspective the wisdom of the wording of the MOU. While I had no binding effect it was important then and is important that all such negotiations include the program director so as a minimum level if the wording of the MOU is as proposed. In several cases I was able to influence the wording so that the approach agreed with my intended management style.

- Source Selection of 5 nation program.

-International Program Manager (Industry) for a multi-national governments feasibility study, and planning development phases. Other involvements at various levels with European companies and governments.

-Legal advisor.

-As a program manager negotiating a subcontract with a coproducer.

-Concept of agreement.

-Sometimes as a U.S. team participant, sometimes as the sole U.S. representative.

-Negotiations on technology MOU - U.S. & France  
Represented Command Headquarters to contain scope of tasks, authorize funding/asset availability.

-Legal support.

-Team member.

-Legal advisor.

-Administrative - draft and sign for U.S. on modest, no-cost arrangement.

-Procuring Contracting Officer (PCO).

-U.S. Program Manager, International Cooperative Research and Development.

-Chairman of entire MSOW effort, principal for E-3ESM, Rapier, AMRAAM, JP-233.....

-Principal negotiator - Source selection member.

-U.S. Program Manager on an Foreign Military Sales project.

-HQ AMC administrative or management representative.

-Operational expert/technical expert.

-U.S. national expert and technical advisor to U.S. delegation to NATO (NADGE - NATO Air Defense System)/Developed technical specifications for Saudi C<sup>3</sup> System.

-Technical/Management advisor.

-Senior Foreign Military Sales (FMS) manager for aircraft propulsion systems; Presented and "sold" the FMS engine

program to several foreign purchasers of F-15 and F-16 aircraft.

- Head negotiator/facilitator.

- Chief negotiator/team member (several DoD coproduction and cooperative MOUs).

- As buyer and as seller.

- Observer; interpret differences in English/American phraseology.

- Supporting negotiator.

**2. If a different type of negotiation style/strategy is required overseas, identify negotiation styles which proved effective.**

- UK--more formal/friendly; don't be so rigid. Flexibility; More technically proficient; Patience.

- Informal conversations before formal negotiations. Foreigners like to exchange "non-papers."

- Hard to answer for the countries I have dealt with, CA/UK/GE/ROK, you have to be familiar with the customs/practices of each country and adjust accordingly and then adapt your style to the specific people involved.

- Take time to prepare and be prepared not to reach agreement quickly. Being in a rush tends to give away the store.

- Japan, must not give in on issues unless they give something, because they will work that way.

- Understanding their rules.

- Patience, small gains, compromise-UK, GE, FR, IT

- With European counterparts, hallway conversations, dinners, lunches and cocktail party type environments by far provide the best social lubrication for getting down to business.

- The difference occurs from differing languages and meanings associated with terms, etc. Also social behavior and attitudes because of differing cultures. These must be respected as equal importance as our own.

-Japan--Written word, once all the t's are crossed and i's are dotted, is not sufficient. If possible, a nice graphic of the MOU main points helps. We ended up meetings late at night re-talking over the main points of the agreement.

-U.S. side enters stating "we have to have this wrapped up by..." While Europeans are open ended. Thus U.S. under self imposed time pressure. U.S. does not spend a few days before getting organized, adjusting to time change...etc.

-Patience--all countries; Personal relationships--all countries; Politeness--all countries; Frankness/Directness (show no weakness)--Israel.

-It depends on who has the power (real or perceived) Generally I've found that a cooperative win-win approach is better everywhere as opposed to the power play role acting.

-U.S. should use cadre of professional negotiators vice Program Managers who are doing it lots of times.

-Tactics to avoid perception of U.S. dominance due to cost soar, technology disclosure.

-Varies.

-Japan/Malaysia--Longer-term relationship more important angle, slower progress. Very conscious of tact, manners Spain/Italy--more cautious plan, carefully spelled out is needed; All countries require some tempering of natural American forthrightness.

-Different type--not sure I'd call it "different", but certainly "too often overlooked": U.S. negotiators seem to never had read the "history" of same or similar negotiations, and are thus often at a distinct disadvantage--find themselves being "lectured" by German counterparts.

-Negotiation style/strategy is always context sensitive.

-UK--must constantly push for a decision, they tend to put off decisions; GE--you must know every agreement ever signed in the past because their lawyers know them all. You need to have prepared responses.

-The right team members (skills and numbers) and the authority of the team chief to close the deal--we always lead with our fall back position and get out-negotiated.

-Continued professional U.S. training--i.e. DSMC Ft. Belvoir.



-Must recognize that consensus is required; Must recognize that dealing with a sovereign nation, suppress arrogance.

-Any good negotiator should be familiar with the program and the abilities/problems of the other side.

-Maybe more patience.

-Must be prepared to defend the merits of your desires which conflict with their customary procedures/preferences.

-U.S. gives up too easy--start at our planned final point.

-Greater patience--more guarded non-verbal responses to the other sides testing proposals.

-Know your counterpart.

-Indians play hardball--here it is difficult fulfilling agreements. Knowing this is important in up front negotiations; Germans--very ethical. Require number proof of points (statistics quite useful); Israelis--ask for the moon. Don't back off/imaginative alternatives required; Australians--negotiate. Somewhat naive; South Africans--anxious to please. Give lots of ground; Russians--very tough--like labor.

-U.S. is too quick to compromise. We get, or start at our bottom line.

-Different from what? Government contractors or U.S. government-US government?

-Korea--U.S. Government fairs better if it tells ROKG what should happen, and let Koreans react to that, otherwise decisions will never be made.

-Egypt--patience is required. There is a lack of willingness to make decisions on the spot.

-Recognition of human aspects (Arab World, Latin America, Africa). Treat with respect, not be pejorative, etc.

-Necessity to explain organizational structures/processes/authorities--cannot assume knowledge of our system. Need to identify end objective and then identify paths there to.

-The greatest difficulty is understanding the differences in culture.

-Israel--need to establish a hard nose position early--no nonsense approach, establish credibility quickly.

-SE Asia, Arabian-Mid East--Time, patience, extreme courtesy. We go for a day, up to a couple of weeks. They are prepared for weeks and months.

-General--must understand and accommodate for cultural aspects of country--especially the Middle Eastern, Arab/Moslem cultures.

-Belgium--consider social standing of participants.

-Patient, diplomatic, definitive/clarity.

-Patience, formal, detailed, extremely professional.

-Saudi Arabia--hard nosed; Korea--patience, cordial, yet firm; United Kingdom--formal.

-Overseas environment requires infinitely more patience and tolerance than in a U.S. environment. Requires a more "partnership" perspective to gain objectives than the "I win-you lose" syndrome. Ability to make concessions to gain major objectives.

-In Malaysia "saving face" is very important. To avoid a problem here, Malaysian will say "we can" to anything. Then they proceed to simply never doing what they agreed to do hoping the issue will just go away.

-Extreme patience is required, social amenities, in many countries in the Far East, especially, must be performed before "getting down to business." U.S. negotiators do not understand the Oriental way of doing business is sometimes more social than business like. Loss of social face will cause long term distrust and result in less than optimum performance.

-Be more positive even when saying no. Criticism must be avoided.

-Less hurried, more social, more off-table lobbying, building consensus.

-Germany--work the agenda so it flows; UK--same, but understand the "margins" of the meeting.

-In France, baseline should be the bare requirements with suggested improvements negotiated. U.S. tends to start with the "Cadillac" and negotiate downward.

-Don't "roll over"; honesty, preparation and firmness go a long way with Canada, UK, and to a degree Israel.

-Highly variable dependent upon a) country and culture, b) U.S. objectives, and c) type of market, product or technology.

-General--detailed preparation and extreme patience.

-Much more cooperation between government and industry; level of trust much higher.

-European style of negotiation is more formal than U.S. style and tends to be more reserved.

-Honesty/forthrightness

-Better definition of the technical baseline.

-Need more consensus within U.S. side.

-Japan--extreme patience; a well rested team (don't fly over and start the next day); Technical experience (strong); Don't underestimate social/personal relationships value; Negotiate to become a team - not one against the other.

Europe--Have authority/technical expertise/good planning/experience.

-We (U.S.) must prove ourselves trustworthy...explain full and open competition environment.

-Need to know customs of country and how they indicate "YES"/"NO."

-More patience and thicker skin.

-When dealing with other government personnel, negotiations/ discussions were difficult until a rapport was established. Once they were comfortable with my knowledge/experience things were easier.

-Identify what motivates other country to participate--economy, technology, third country sales. Negotiate accordingly. Accept the fact that other countries have different business practices, laws, acquisition processes, etc. Treat as equal.

-As a U.S. representative, it was always important to share culturally with my counterparts (both to show them the U.S. and acknowledge their homeland). Fortunately for me, personal travel experience was available.

-Need to understand statutes and customs.

-Need to understand the customer/counterpart. Need to know who has authority (the real guy in charge). High pressure/time sensitive doesn't work.

-NATO--patience; keen awareness of political/economic motivations of all participating NATO members; Saudi--patience; resistance to Saudi demands.

-Small personal groups focused on what benefits the negotiations provide for counterparts.

-Saudi Arabia and Bahrain--Gear actions toward showing value received, or to be received - justify cost of system acquisition and support. Females cannot effectively participate; Israel--Gear actions toward showing system capabilities and potential for future improvements.

-All countries--Be sensitive to cultural beliefs. Make sure that you communicate clearly and, especially, be sure your counterpart really does understand what you said.

-Most deals we do are based on a common understanding of requirements and program objectives. Japanese have been, most "difficult" compared to Europe, but if approached based on understanding of their cultural milieu our negotiations have been productive.

-Try hard not to let it be significantly different no matter what the issue or circumstance.

-United Kingdom--Work ethic totally different. Too much slang not understood..."no strings attached" and "table the topic" are especially awkward.

-The "fair, frank and direct" style of courteous dealing always seems to work--after recognition of cultural greetings.

**3. What was the composition of your negotiation team (size, expertise, level of authority, experience)? Describe how this composition helped or hindered the negotiations?**

-6, Fairly expert, mid level authority (could not make final commitments/decisions), fair experience.

-Size has ranged from 2-5; expertise has ranged from very experienced members to some with no experience; level of authority was only to negotiate, not conclude, with understanding that any "substantive" changes would have to be taken back to OSD. In my experience in the last four negotiations we had the right "mix" and everything went smoothly.

-Four people usually; expertise--programmatic, technical, regulations, upper management level of authority to conclude negotiations. Little international experience; Negotiations were sometimes hindered when U.S. team leader (senior level person) was sometimes in a rush to get agreement and would not take advice from his team members.

-Eight people, acquisition/technical, multiservice. Multiservice rivalry was a problem.

-Small, mid and high level-not a big problem area.

-Size = 5; Expertise = Significant; Authority = High; Experience = Little to Significant

-5 person team plus U.S. Embassy advisor.

1. Embassy advisor very knowledgeable and helpful.
2. 2 Representatives from OSD (Both experienced negotiators).
3. Myself as technical/subject matter expert.
4. International Relations Expert (helpful).
5. Two classified attenders

-Team size was five people representing senior levels in technology, business, legal, contracts and manufacturing. By providing expertise in these key areas negotiations went quite easy.

-Lawyer, moderately experienced; Technical, low experience; Team Chief, three year's Japanese experience (U.S. Embassy); myself, moderately experienced. Team chief's experience paramount (some Japanese ability). Also, security member had some experience.

-6-10 people. 1 lawyer, a few technical/programmatic types and a decision maker. U.S. usually hadn't met each other as a team until evening before negotiation.

-Usually three, sometimes more, depending upon topic: U.S. delegate and technical advisor and operational test advisor; Expertise--high; Authority--low (staffing was a problem).

-Much variety. Contrary to popular opinion, I have found that the smaller the group (both sides) the easier it is to negotiate. Too many people's input at a negotiation tend to take discussions to unimportant tangents.

-One example from MLES MOU between US, UK, FR, IT & GE:

1. Deputy Program Manager
2. HQDA Logistician
3. HQDA Lawyer

4. HQDA Weapon System Manager  
5. Counsel  
6-8. 3 Reps from PM staff  
9. Contractor Representative  
Too many lawyers & Action Officers!

-Team leader (Civilian SES), assistant (GM-15), legal (lawyer) (GS-14), contract expert (GS-13/14); Matrix organization. Typically one short meeting to establish strategy and discuss issues prior to each negotiation.

-Small teams; considerable U.S. expertise/experience; often hampered by unwillingness of supervisors to delegate adequate authority to team.

-Size average 4-5 people; Composition: purchasing, Engineering, quality control, legal, VP; The most active are purchasing, engineering and sometimes legal. Smaller size usually best, but do not want CEO or highest level of authority on team. The greater the experience level the better. Often have one junior materials person present as learning experience.

-Various--from 1-man to mobs. With few exceptions, U.S. delegations often far out-number German int'l. delegations, but this is now such a familiar situation that it is not perceived as threatening, but rather an indication of lack of expertise and/or unanimous U.S. bargaining position. In project/program negotiations, U.S. leaders are too often inexperienced. Authority is almost always lacking, but this is not a bad "stall" tactic; U.S. tends, however, to completely rewrite negotiated texts after delegations return home, mostly because of inadequate advance staffing with U.S. authorities (often legal and financial, as well as security/technology transfer specialists)--this is not good. In my experience, smaller teams are much better.

-4-5 government representatives. A good mix of civilian and military, party varied to match issues, frequently 2 on 2 for detail sessions. Authority levels matched to decision levels. Policy folk(s), technical folk(s), finance folk(s), contracting/legal folk(s). Worked great most of the time; a consolidated front.

-Lawyers (1 or 2), Technical experts, Program experts, [normally 5-6 people]. Lawyer full DA Authority, PM full program authority within limits. Experience diverse.

-2-3 people; missing technical and program management experts. Perception of team chief that he/she could handle; Technical and program managers, when present, were often ignored by team chief; perception that U.S. "caved in" to political pressures.

-5; GM-15 head, fairly-well experienced. size--OK. We are seeing better training negotiation teams from the U.S. (Navy).

-3 individuals, no previous negotiation experience, no authority to make substantive change (no range of authority).

-Six experts in their technical fields, one was project leader for U.S. effort. Best combination of talents for this negotiation.

-I participated on numerous teams--best are three or four=technical, program office; legal; patent counsel

-Representatives: OGC, DTSA, Policy, Services, IP, DDR&E Rep (chief negotiator). Subsequent problems with controller, foreign contracting, service legal.

-Differs with each negotiation. From too big, five or more, to too small, one.

-Two negotiators (Deputy Assist, Secretaries), one JPO Program Manager (06), one tech expert (GS 14), one lawyer, one Navy IPO Representative (GS-14), one contracting officer (GS-14); Composition was adequate.

-All of this was a big help--25; contracting, legal, engineering (technical), Programmatic (networks and scheduling); authority to conclude the agreement; 10-25 years experience in each member.

-Very informal, only two U.S. reps. Helped with establishing rapport

-13 people; technical experts; negotiation poor.

-Negotiator and deputy; technical/engineer representatives; legal representatives.

-Small--experienced long term personnel relationships with non-US "trust."

-Typically a scientific person, a regulation/quality assurance person and a commercial person; we are heavy on expertise, lighter on authority but with good experience. The low authority level was by design, (so we could review at leisure) but hurt with Germans and Australians.

-British team was "MOD" level group who had negotiated other MOUs with other U.S. services. U.S. team --with 3

exceptions were amateurs. U.S. team had authorized position--but no authority to deviate.

-Small experienced team with authority required, helped negotiations.

-Two-three person--This was helpful because we had the authority in hand to accept or walk away from a project. We all knew each other's positions and it was possible to maintain a united front. This resulted in the U.S. getting more for less.

-Two stage process; first a technical team of three to four people, mostly technical experts to define objectives scope of work; later separate discussions involved legal, security to separately handle boiler plate issues at OSD level for final resolution. Worked very well.

-Program management, technical, legal representatives. All were experienced in dealing with this particular customer, and team experience in other facets of U.S. process (contracting, budgets, acquisition issues) made for a successful, productive outcome.

-Twelve people; Very experienced in international affairs; Deputy Director of DSAA present; people from all technical organizations were also present. Answers were always available to DSAA during negotiations.

-About five people. Team size was driven by technologies being discussed.

-Small team of system technical experts. Little authority to carry out system acquisition; sometimes short on technical/equipment expertise.

-Varied--two to twenty. Greater the expertise, experience, and authority, easier to reach agreement in negotiations. Innovations, flexibility--more apparent in HQ than field level.

-Small team (five people) with sufficient expertise and experience to be successful, however, given the way our government works in the FMS business none of the participants had the authority to make a commitment.

-I find in any negotiation that a small team of people who have adequately prepared is by far the best situation. Prepared means that fact finding has been properly accomplished and that both sides fully understands the requirements.



-We have had one to 75 (Program Management Review)--size is a hinderance-- level of authority and experience (by individual), "ugly American syndrome" are the next worst.

-Various--up to 20 on major Program Management Review.

-Negotiations were informal--two on our side--ACO and contract administrator. No problem.

-Four people--contracting officer, production specialist, QA specialist, property specialist

-Twelve personnel. Professional expertise and full authority, highly qualified/experienced.

-Shipboard--one on one. Buying office--various sizes/composition. 1102 + legal + tech support; GS-15 to GS-09; O-6 to O-4.

-Composition varied from contract to contract. Standard composition was: contracting officer, price analyst, technical expert, buyer.

-From three to fifteen (as required)...Expertise ran from none to a lot; finance/budgets, legal, contracts administrators, engineers, quality/production and auditors. We always were represented with the required authority to make on-site decisions.

-PCO, ACO, Production, Quality Assurance, Government Property, Businessman; Team composition helped. You need every affected functional area represented.

-Different sizes at different times. For contract award at Singapore Aerospace--Nine U.S. and from six to eleven Singapore Nationals. For contract award at Airod Malaysia--Twelve U.S. and fourteen to twenty Malaysians. For Security Assistance Negotiations at Korean Air Force HQ--Eight U.S. and fifteen to twenty ROKAF. For negotiations at Kordin Air Force HQ--Sixteen U.S. and twenty ROKAF. The size of the team didn't appear to make any difference, the composition, level of expertise and authority carried by the team does make a difference.

-Ten; Contract Administration, Quality Assurance, Production Manufacturing, Maintenance, Material. Contract: PCO, ACO, PA, PLCO, AQR, AF Customer.

-Each team is different in size, expertise, experience depending upon size, scope, political aspects of the program.

-Each undertaking had varying needs but as frequently the UK will have a separate agenda that manifests itself in the margins of the meeting as "oh by the way...."!

-Two OSD (USAA), two air staff, three field command. DSAA representatives took the lead but paid no attention to the advice of the field command representatives (i.e., the implementors!) Technical and basic price issues should be authority of the experts in the field (SPO).

-Three members, excellent technical expertise/experience. However, as team leader I did not have authority to make significant "changes" without Dept. of Navy four tier approval!

-Varied, dozens of times. NATO nine to twenty staff, with generally three contracting participants.

-The U.S. team was made up of a major from what is now SAF/AQXI, a lawyer from SAF/GC, the SAF Program related organization (like AQP), and a financial type from SAF/FM. There were advisors from HQ AFSC and from the MSOW IPO (I was there along with my PCO). Level of authority was not too clear from my view although the U.S. obviously had certain things it wanted and could not back off from. Experience wise the AQXI major and the SAF/GC person had previous experience, the HQ AFSC folks did not, I did, but my PCO did not.

-Level--07, 06, 05, GM-13; The 06 led most activity--about 3 grades under other national folks!

-Various. Typically three or four per country, encompassing experienced managerial, technical, commercial and legal representatives. Authority for final commercial agreements limited to commercial directors.

-Varied--smaller is usually better.

-3-4, contracts, program management, financial; very efficient.

-One technical expert; one MOU expert; some senior executive (need more of this).

-Completely varies depending on the circumstances. Generally, U.S. teams lacked authority, experience and expertise. They also did not plan enough time for rest, negotiations, and the social activities. (The development of personal relationships with the Japanese is paramount to understanding them and getting them to understand you.) The U.S. teams do not usually understand the other countries culture, objectives, motivations, etc.

-Size: 4 people; Technical Expertise: PHd and higher level plus several years (7+) as international technical point of contact; Authority: full technical authority on project. Helpful--PHd level for credibility. Personal Relationships--most helpful and important; makes individual credible and trustworthy despite variances in U.S. policy.

-Lack of experience and too many team members hinders negotiations.

-5 member team--few of them familiar with technical capabilities of the host country, even fewer with an understanding of what drives France's need to export.

-2 people--1 engineer for technical issues; 1 lawyer for legal issues. It seems to work well, the other side recognizes the different expertise.

-2 to 3 folks--small efforts--no problems--probably not relevant to your study.

-Approximately 8 experienced people from foreign governments as well as U.S. Lead engineer (US,GE), contracting (US,GE), program management (US,UK), legal (US, UK). Very helpful in understanding the European way of business.

-Depending on phase, lawyers, financial, technical experts, etc. were part of team when needed.

-1 Lawyer (GS-14); 1 financial expert (05); 1 Program Element Monitor (05); 1 incumbent SPD (06).

-Eight people covered range of negotiation specialties; HQ USAF, country TAFT, contracting, management, technical. Full authority short of congressional approval. Generally 15 to 20 years total experience with 2 to 5 years international experience. Good balance, rapport, and confidence helped effort.

-About 10 to include Program manager (excellent), usually 2 lawyers, 3-4 technical experts, administrative type. The composition of the team, although large, meant that most of the expertise was present for rapid decision making and lawyers were there to give advice.

-I've had experience with large and small groups. Experts from in-country agencies(i.e. POC/MIL at embassy, SAO, etc.) operational/technical experts, legal experts, etc. Authority usually delegated from Secretary of State or Commander in Chief depending on type of agreement being negotiated. The composition was helpful because each

played off the others strengths but strong leadership and single voice was a must.

-NATO--approximately 3 on U.S. team in NATO "System Program Office (SPO)" of approximately 50. (limited U.S. manpower)  
Saudi--approximately 4-5 (size O.K.)

-Large (14 people); No authority to make final agreement; negotiation proposal had to be sent back to CONUS for comment/approval; Most people on the team did not have a clue about the counterparts culture.

-Many teams: Small teams--2-9 people; programmatic expertise; limited authority; 50% usually lack enough experience to make quick decisions. Larger teams--10-15 people; programmatic and technical expertise; generally enough authority and experience to result in sound, quick decisions.

-Private sector: purchasing and technical (important on all negotiation teams); logistics, production and financial (of secondary importance).

-Depending on size of program. "Basic" team configuration for Navy is IPO chief negotiator, program manager (or technical manager), counsel, and local representative if available; with "add ons" for technical, contracts, test and evaluation, logistics as required. Generally bigger program budget, "higher level" teams (led by Department of Navy secretariat executive) with more "expert" support from functional areas.

-The size of my team is never more than 3 with the lead man identified to the counterpart. Most often the lead was very experienced, the second could be the boss or number one assistant and the third party fairly inexperienced but technically orientated.

-The teams from the United States seemed not to have talked prior to the meetings and continually have to have "side" discussions which appears rude.

-Leader (SES); technical/contracting (Colonel/GM-15); finance and business arrangements (Major/Captain/GM-13). Team was successful in Rapier negotiations in large part because of previous high-level political agreements and spirit of cooperation.

4. Describe your most memorable international negotiating experience. Was it successful or not, and what factors made it so?

-We incorporated addressing an issue in our MOU (as a "sidelight" while, unknown to us, a separate MOU was being prepared by another U.S. agency to specifically address that issue primarily. Embarrassed, we later had to redraft it.

-Extremely cool treatment in Scotland--they were a sole source and didn't want to advance their technology (made more on the old technology).

-Termination of MOU; Successful, Yes. Good U.S./Italian personal relations helped due to reasonable level of trust.

-We had to form a consortium of eight companies in eight countries. Needless to say it was a very complex problem. However, it succeeded because each participant wanted it to work. Openness was key from the beginning, recognizing and respecting differences were also key. This success was ended by termination of the entire international program because the U.S. chose to drop out to save budget.

-The after dinner conversation, until 3 am, prior to returning to meeting (5 Japanese, 3 from MOFA, 2 from MITI, and me).

-When the German side began to fragment on goals and reverted to German to get all players "in line" I understood what was going on and was able to advise our lawyer we had a "temporary window of opportunity"...languages are useful. All German speak English.

-Selection of new standard ammunition for NATO. Very successful. Commitment of most nations. Obvious performance improvements.

-A contract to buy 36 items from Japanese source valued at \$10 million. I achieved all of my objectives plus. It was successful because we took the time to look for valuable trade-offs and (most importantly) I did not allow them to use time against me (common U.S. error). In fact I walked out during first day and returned two weeks later to conclude.

-Caught Germans listening on English channel vice German channel in multi-lingual conference room. They had refused to speak any English up to slip-up--suddenly the tension diminished.

-Watched the British take us to the cleaners--they do their homework; can structure MOU language to obtain upper hand.

-Audit Annex to reciprocal umbrella MOU. Very successful, because of experienced senior negotiator--knows Germans, knows how to play the game. This process is not yet complete, but it looks as if both sides will have what they want and will have "saved face."

-A technical exchange with a European concern. Successful at the time....some of the "gains" have not been followed to fruition. Terribly frustrating to see the positive squandered by loss of momentum. "Their" fault as much as ours.

-US chairman for US/GE Joint Test Board. Mission was to establish an international Test (from weapon to tank level) to show interoperability, and interchangeability of MIAI & LEO2 MAIW Armament Systems. Four meetings per year (2½ years). Test accord signed and implemented. Complexity primarily Technical not legal (e.g., what tests/data, logistics of where and who military/civilian etc.)

-Negotiation of US/Canadian upgrade of North American Air Defense. Negotiations were essentially technical in nature. Both sides were familiar with the technologies--the cultures were essentially the same.

-Major program MPA-90 (P-3 Aircraft) MIDS, RAM. Let's wait and see...

-Not releasable.

-Successful negotiation--project terminated; success based on small team that worked together well, was well prepared, and was led by project office type.

-Eliminating formalities resolving problem to complete negotiation.

-TASAM MOU. Both sides wanted to do it. Went very smoothly. No language problems. We had what they wanted and they were in a hurry. Usually we have the pressing time constraints.

-Leveraging the Europeans to agree to 3½ more years of the same exchange rate agreed to--1984 (It was June 89). Their CY 1992. Understanding this perspective of when they needed to go to agree and driving a hard but fair bargain.

-While negotiating a MOU with the French and U.K., the U.S. team leader, who was in charge of the meeting, frustrated the members by shipping around the document and never getting agreement. We wasted a full day. The second day while the leader was out in the early part of the morning, I took over and conducted the meeting. When the leader

returned we were on page 35 and charging through the MOU. He let us continue to make substantial progress--what else could he do.

-I traveled  $\frac{1}{2}$  way across Korea to meet with the area Air Control Authority to conclude a MOA for the U.S. Navy to control a portion of Korean airspace during exercise Team Spirit. I was successful because it was not the first time it had been done, and because both parties wanted the agreement to be concluded.

-Negotiating a long term relationship with a UK company where there was solid mutual interest and trust--these factors made it successful.

-I believe that if the strategic economics are favorable, then an agreement can be made. I worked with a South African firm for an active drug substance. We eventually convinced them that they should lower the market price and improve quality, but found that we had to provide ideas on how to set them out of a quasi-agreement with another firm. They spoke Afrikaans--which we were able to partially understand because of my German studies (fluency).

-Canada-USA joint development of a high speed sonar--most successful

-Arranging for purchasing six prototype NATO upgrade kits and technical assistance from Thompson of Germany using Foreign Testing funds. Very successful; but at the last minute U.S. Legal Red Tape almost killed it.

-As Hq USAF representative, sitting with a German project officer and USAF project officer to finalize scope of work only to discover the two had completely different ideas of some basic technical issues--this after allegedly "negotiating" over six months.

-Drafted and negotiated a cooperative R&D agreement between the U.S. Government and the 13-nation NATO AWACS program management organization. Program management, technical, legal representatives. All were experienced in dealing with this particular customer, and team experience in other facets of U.S. process (contracting, budgets, acquisition issues) made for a successful, productive outcome.

-Closure of next sale of F-16s to Egypt. Egypt was anxious to get the program underway.

-Gaining support of HQ AFSC project for Cast II projects from thirteen European countries. Level of activity (MOU and higher, and HQ AFGC/CC & higher).

-After considerable contact, repeated visits, etc: the French term "sympathetique" was used to describe me....it means that you care, we trust you, we admire you, etc.

-Negotiated seven nation agreement with U.S. participation at HQ, command and field. Number of players and lack of single U.S. position on any one issue due to failure to develop that position prior to meeting made negotiation more difficult with U.S. than foreign participation.

-Only one was moderately successful. Lack of understanding of DOD terminology and system kept it from being more so. Also, the foreign negotiators were not very familiar with idiomatic English.

-Convincing the Australian government to invest the proper amount of money into their follow-on support programs. My experience, background, and knowledge attributed greatly to the success.

-Our negotiation with the Israeli Ministry of Defense on Training, although long and concern with exact meaning of words was often frustrating--it resulted in a win-win situation and improved relationship between the parties.

-Closing the Air Asia facility in Tianan, Formosa, we lost our shirts--our team had two weeks "to clean up"--the Chinese appeared to have the rest of their lives.

-Assisting the Turkish Government gain experience/training in contract Administration (CAS) to permit signing an MOU with the U.S. for reciprocal CAS. Training ongoing--very well--not yet completed but progressing well.

-In the administration of a contract with two co prime contractors for air cushion vehicles I had to sort out several precedent setting issues caused by having one prime in the U.S. and the other in Canada. Problems which arose were legality of contract, two separate government paying offices, two different currencies et al. Contract was successful. Having continuity in contractor personnel helped.

-Working with the Belgium Air Force to substantiate costs on FICD engine work. 1) Language differences, 2) concepts of what is priority. Also, assessment/capability of Pakistan DOD/MOD for host country CAS. Professionalism of Pakistan government contacts and professional makeup of U.S. government team.

-Government to government--(USAF to Royal Saudi Air Force) Letter of offer and acceptance negotiations on maintenance training and support for Saudi Arabian F-15s.



-Successful negotiations due to thorough preparation of the USAF price analyst (dedicated to the program).

-Saudi Naval Expansion Program (SNEP)....successful in the final analysis. This specific one was a disaster due to a "viral" growth of mistrust was inadvertently fed by a group of well-meaning but uncomprehending USN officers whom did not live in Saudi Arabia, as the rest of us did.

-We were negotiating the repainting of an airplane. We felt the contractor would paint plane at a lower price than the contractor did because of level of effort. Finally we directed contractor to do it our way and filed a claim for the difference if he wanted. Contractor painted like we wanted, filed the claim, and collected.

-Negotiations with ROKAF for base selection and accelerated beddown. Very successful due to the U.S. team make up and level of authority available.

-While working for an Army Tank Plant in U.S. assisted the USAF to convince the Turkish AF to utilize used industrial plant equipment instead of new in their aircraft; successful.

-Australia and U.S. reached an impasse on "claims" and the matter was referred to higher authorities in both countries for possible resolution. Neither negotiating team was granted additional latitude by its authorities. When the next session convened, both sides restated their positions, shook hands and left. It took two minutes.

-Attempting to negotiate the same day I arrived in Europe. One needs that "day of rest." I wasn't very effective and needed to redo/revisit many topics.

-Negotiating with Canadians. Canadians gave the "appearance" of wanting a particular DEA more than we did and that made it easy to conclude the arrangement quickly and in the "favor" of the USMC.

-Highly successful in arms control arena, cannot disclose more now. However, in Government R&D and commercial areas, motivating concurrence by five European partners, when none existed before.

-After working with French for over a year--they walked away with the two proposals and built the system on their own.

-Persuading a potential U.S. partner company to pull its weight in promoting a project in the U.S. DoD negotiation

was successful because of frank talking on both sides. The project nevertheless foundered because of U.S. Government lack of commitment.

-Singapore SOFA--was successful--good team leader from the start.

-Negotiated all basic ordering agreements on coproduction of German Patriot--difficult technically, \$500 million spread over 7 contracts.

-Team negotiations to establish strategy framework for cooperation in Japan. Lots of preparation and front-end investment.

-If I have one, I am saving it for my paper or thesis.

-Negotiating with French TPO comments and changes to technology MOU, the personal relationship led to informal discussions over lunch and an agreement on how to proceed. Success came from mutual trust, friendship, and knowing what we wanted to achieve, we agreed what each had to do to satisfy own bureaucracy.

-AWACS negotiations -- the painstaking process of data disclosure--the majority of the information requested by our ally was ultimately provided but not without extensive delays which generated distrust and ill feeling between partners.

-Trilateral agreement executed as two bilateral agreements; complicated because we never had all parties together for a meeting.

-Greek-Turkish problem is preventing U.S. from using unclassified data obtained, in part, from those countries.

-Negotiating an agreement on the RFP. It was the Europeans against the U.S. at first. Through continued efforts in trying to understand each nation's requirements and customs a rapport was established and the RFP was a document that satisfied all of the other nations requirements as well as complying with U.S. laws and regulations. The most important factor is maintaining an open mind and a willingness to compromise.

-Resolution of legal and procurement impediments at one meeting in Ottawa with all seven governments to agreement. I had the horsepower at the table (2 SESS from SAF).

-U.S. wasn't empowered to make a determination regarding the winner of a source selection. We instead announced the losers.

-Dealing directly with Saudi Royal Family. Successful--  
1) straight forward layout of cost, schedule, technical issues 2) luck helped in meeting personal requirements of royal family without increase in cost.

-APGM--6 nations coming together to sign one MOU.

-The subject was classified but it was successful. It was successful because we had a small group of experts with excellent knowledge of the country and players we were dealing with. Our national objectives were clear. We did our homework. We were able to work within a framework; we were sincere and honest.

-Successful negotiation of Saudi C<sup>3</sup> specifications over a 4 year period--approximately a dozen sessions in Saudi Arabia with Saudi Air Force (to Chief of Staff, Royal Family)

-Competition between Air Force and Navy for Korean Fighter Program aircraft sale. Successful. After first choosing the Navy aircraft, Korea later selected the USAF aircraft. I believe the Air Force package more completely estimated program acquisition and support costs. Truth in negotiations eventually won the sale.

-Korean Fighter Program: High level team (led by Department Director DSAA); big dollar program; interesting interactions with Koreans; heavy commerce and GAO involvement. MOU negotiation was successful but pricing and industrial offset issues resulting in F-16 vice F-18 selection.

-The transfer of tooling away from a non-performing supplier who very much needed the business. The outcome was successful on my part but concessions were given to the supplier on future orders.

-A 4-power negotiation of an MOU. When the United States offered something "with no strings attached" all three countries wanted to know what rope/twine had to do with negotiations.

-When I discussed the possibility of some oversight role for our GAO on the Rapier program. The response was indignant demeanor saying there is absolutely no need to distrust them. We eventually had some acceptance of GAO role.

5. What problems did differing management practices of your international counterpart create?

-More loose/informal style, less oversight, hard for U.S. counterparts to understand/accept it, U.S. reluctant to "trust" them

-Not familiar with U.S. common practices

-Not a big problem if you understand their rules and practices.

-Negotiators from different countries seemed to have different levels of authority. For example British, Japanese and Dutch seemed to have to call home often for "advice." German and French seemed to have wide authority.

-None in particular.

-Relationship of Japanese government to their industries somewhat foreign to U.S.

-Don't understand question.

-Japanese & Asia--need for consensus required you to allow time for participants to meet with their management. This is true even if they get what they want.

-Led up a functional program office based on a military organization--no national deputies, no "U.S. Systems Command Managers"--all engineers and all workers.

-Customer expected kickbacks and payoffs (mid east country).

-Definition of R&D and production (Turkey); Their's was an "I win--you lose" concept (UK) (Turkey); Their negotiator was from Ministry of Defense. Our's was from production level (UK) (Turkey).

-The foreigners had much better positions due to their prior coordination and position papers.

-Germany--management has certain legal and political obligation not found in U.S.; Australia--direct and quick, expect same from U.S. simplistic.

-Major differences with NATO country counterparts are  
1. relationship between government and country contractors (close association, compared to U.S. Government arms-length approach with our defense contractors), 2. lack of decentralized decision making and delegation, and 3. often rigid, vertical communication systems (organizations) which lack horizontal coordination. #1 creates mutual misunderstanding of government/industry relationships, while 2 and 3 lead to slow decision processes.

-Korea--Koreans have "group think" policies. Very difficult for one person to make decision. Must always delay negotiations to "fall back and regroup" when decision is necessary.

-Different work ethic--Africa, Mid East, etc.

-All countries except Europe--usually the problems compound because our people are unwilling to accept the countries practices. "Being they are a backward third country, they have to conform to those practices we are comfortable with."

-Communication mostly--Saudi Arabian culture and needs to "save-face" causes great difficulty when in a group of foreigners.

-Saudi Arabia and Europe--Created time consuming interface to "clarify"; caused each "side" to massage a problem before meeting with each other to massage a problem; creates backlog of "pending decision" actions.

-What comes to mind is the subordinates usually do not pass bad news to the boss so he can make decisions. They (the subordinates) feel that if something is wrong then they are at guilt (kill the messenger) and that adverse action from management will blame them for identifying the difficulty.

-Israel--Acceptable quality levels; urgency of ordering long led material and tools; meeting production schedules; completing documentation timely.

-Program management and financial management in the UK appear to be independent entities which frequently causes program disconnects.

-Numerous U.S. program management documentation (CDRLs, CSSRs, etc.) are unknown in most other countries. Getting a FMS customer or cooperative program partner to accept part of the bill for these products is tough. Plus, U.S. tends to have a much bigger "SPO." Europeans put much more faith/trust in the contractor.

-At times, lack "real authority" or ability to bring real portfolio or endorsement of their commercial board of directors, etc. More "time tolerant" or "useful of time."

-Foreign management practices impacted projected schedules and cost estimates which were made under the assumptions of U.S. style management and business practices.

-France--government/industry (military industrial armament cooperation) is a given; FR RDA specialists are professionals and do only that; FR budget is for five years--program stability; virtually no interference by legislature.

-Government/industry relationship much stronger overseas; difference in classifying sensitive information; more levels of administrative bureaucracy in US.

-Japan--decisions are based on consensus and never on the spot. Always after the fact.

-Turkey--the decision making process is extremely slow.

-Level of management where decisions are made. Much higher than U.S.; amount of time taken to make decisions even on small issues.

-Greater centralization of authority in country (Egypt), thus longer to make a decision on rather mundane matters.

-My deputy was British and their view differed significantly with mine and the Germans on the number of people needed in the IPO. The British said if they were doing it as a national program they'd have about six people. Both I and the Germans thought more like 35. The IPO was authorized 26 plus some "direct support" positions (secretaries, contracting, admin). My deputy and I also never reached agreement on the job functions between engineering and program control relative to the responsibilities for schedules. Since we never went forward with the program its hard to say what difficulties these might have created.

-Difficult to establish common business goals. Objectives of acquisition were very different.

-U.S. government procedures (reflected in U.S. company practices) proved cumbersome and inflexible with regard to dealings with other countries. No recognition was given to the fact that they were communicating with non-U.S. nationals (as in this questionnaire) even to the extent of trying to apply impossible U.S. legalities.

-Degree of leverage of our negotiating partner.

-Japan--one must understand the concepts of group decision making, consensus and harmony. U.S. participants did not fully understand these concepts and hence were impatient and had over zealous expectations.

-It was agreed to use the FAR which are too rigid for application to international acquisitions (R&D). We had 5 nations (4 European and U.S.) and a large number of deviations to the FAR were necessary. The European nations (UK, GE, FR, Italy, Spain, etc.) do acquisition business differently from U.S.

-The relationship of European government to their industry is a factor to deal with.

-Turkey--had to think in terms of unlimited labor and all other resources very scarce. Saudi--reverse of Turkey. Labor very scarce but abundant funding for equipment.

-The decision authority was always at a very high level within the government--you need to know what level and how to get to it. The decision process takes time--agreements in principle are a victory.

-NATO (European) Area--lack of technical depth at management level; lack of understanding of technical problems; failure to anticipate development activities/problems. Similar for Saudi Arabia.

-Slowed the process; what could have been done in a few days took months.

-Sense of urgency and management authority within program office--AV-8B (Italy and Spain).

**6. Describe how a U.S. businessperson can develop successful personal relationships in the international environment?**

-Stop being so "me" oriented!

-Meet frequently face to face with prospective foreign counterparts.

-In UK, handshake is still vital, thus one must establish credibility, it is not automatically granted. You must live in the foreign environment, not just visit on business trips.

-Japanese will not negotiate with those they do not know on a personal level.

-Honest portrayal of U.S. position with empathy for international position; heavy social contact.

-Americans need to be more social, spend more time getting to know counterparts and not rush so much. Europeans (and Japanese) seem to have all the time in the world. Americans having to rush puts them at a disadvantage.

-Europeans, at least, put significant importance on the individual counterpart from U.S. because their experience with the U.S. government has not been good.

-Personal relationships allow much to get done well beyond the written word. You have to be introduced to the appropriate levels in government and industry to have or convey the proper status.

-U.S. business needs to have full time representatives "in country." They are the ones who develop personal relationships.

-This is an individual thing--first the U.S. parties must be the type of person who is genuinely interested in other people. We (the U.S.) must allow time to do this (which we generally do not).

-Develop social relationship with foreign counterparts and their families as well as business relationship.

-Avoid suggestion of U.S. overhandedness--be honest, admit U.S. short comings--stress synergies available from U.S. strengths.

-Be consistently polite and honest (ethical). Offer to entertain your counterpart or foreign guests. Listen, learn, show interest in the foreign country. Visit or call on a regular basis. Look for common interests and follow up on them.

-Know the customs; do not keep rotating people let them see the same faces for the most part. Invite them for a U.S. paid social event (dinner). Talk one on one over a beer. Invite those you have established a reasonable relationship with to your home if practical.

-Wine and dine, personal favors; personal integrity, keep your word/commitment.

-Europeans are friends forever. U.S. friendship is genuine but casual or temporary.

-Know customs; spend time cultivating, over several visits; be "civilized."

-Care about customs and personal needs of people you deal with. They need to trust and know you before you can/will



talk frankly. This is more important the further east you travel. Don't talk business before the right time.

-It takes several years, like 3-4, to build interpersonal relationship when you do not live in that (those) foreign countries, but visit 3-5 times a year.

-Social, lunch, dinner, happy-hour, breaks in the meetings.

-Tough question--it seems we Americans are driven by time and accomplishment pressures to a greater degree than our counterparts. I think we "transmit"/"exude" an air of impatience that is recognized which means attempts at establishing a longer term bond as less than totally sincere. The other factor is that most Americans are not well equipped to discuss events, etc that are outside of our American experience. Finding common ground for a personal relationship is difficult.

-Knowledge of in culturally important aspects; some language knowledge is important, although English is the universal business language.

-Allow more time prior to formal meeting for socializing.

-More business is done in social activities than the meetings. The actual decision and negotiations are done during social activities. The meetings are usually finalizations of what was previously discussed. Foreign business find our fear of accepting gratuity anywhere from amusing to insulting.

-Wrong question, point is U.S. managers are often interchangeable, foreign managers much more compartmentalized more frequently more personally involved in their area of responsibility. Therefore, one person's reluctance or enthusiasm can make or break a deal quickly. Therefore need to establish "personal trust."

-Spend some time with the foreign counterparts. They need to get a feel from you that they can trust you.

-Know something of the culture. Have a working familiarity with their religion(s) and politics. Treat them as an equal partner. Don't ever lie or mislead, and if you do, don't ever get caught.

-By studying and attending workshops on intercultural communications. By developing sensitivity toward others.

-Need to identify with individual--develop trust less likely to assume you have other motives (a hidden agenda) in negotiation.

-Learn the language and cultural aspects; live in the country and entertain frequently; have local representative make introductions for you.

-You must convince the people with whom you are working that you not only have the proper background and experience but that you have a genuine personal concern about the success of their program.

-Here in Israel this office is attached to the U.S. Embassy and so we often are involved politically even if the situation does not warrant it.

-Adopt "when in Rome" instead of "change Rome cause we are here."

-The Arab/Moslem culture requires time and a close friendship before "trust" is accomplished. Without "trust," very little can be accomplished.

-By being sensitive to the other persons cultural identity.

-Listen/be attentive, less aggressive. Speak in clarity.

-The expectations of international business persons seem to be based on the development of personal relationships. Good relations equate to a good business arrangement. This is true particularly in Saudi Arabia and Korea vice United Kingdom. Time spent drinking tea or coffee, inquiring about family, especially children is very important. Show your human side, be scrupulous in keeping promise. Integrity is important.

-Show an interest in your host's country/culture/language without making embarrassing comparisons; improve your "listening" capabilities; learn the ground rules of social acceptance before you barge in.

-Learn the culture to include history, language, and social such as "saving face," what do the host people regard as sacred, religion, be straight in all dealings.

-By being less the "Ugly American" and giving the foreign counterpart some credit for his position, authority and education. Several negotiators "talked down" to their foreign counterparts and this sets an improper stage for progress. Arrogance and a superior attitude should not be part of our approach. A completely conciliatory attitude is just as detrimental.

-You must discuss their countries positive aspects. You must learn their social customs. You must be open to their religion.

-Learn the language (at least to some degree), customs, some of the culture. Better understand the "structure" you're dealing with. Most important, remember to not assume that "the U.S. way is the only way"!

-"Be honest" or at least speak and act as if you are! Our foreign counterparts base an agreement on a much more personal level that we do. That is I feel/think they see the agreement as between them and us as individuals.

-Start early; sensitive to their culture, history, individual personal bias, and joint bi-/multi-nation/common interferes and objectives. Also adjust to their egos!!

-In many countries, a male U.S. businessperson will develop a professional working relationship faster, and with less difficulty than a female. One individual who remains the contact person over the long term transaction. Don't make promises you can't produce--Be honest. If you promise an action/etc.--produce or at least respond if there will be a delay in the delivery to show that your are concerned.

-Frequent, up-front discussions.

-In other countries/cultures long term relationships are more important. U.S. businesspersons should develop and maintain these contacts in anticipation of future business.

-Approach international business relationships in terms of enhancing personal relations as well as business deals.

-Do business with a hand shake; personality/known customs and language can mean the difference between success and non-success.

-Personal relationships in the international environment require more: tact/diplomacy, trust, time, patience, continuity (stay in job longer).

-By socializing in the evenings.

-Develop a more personal relationship with your foreign counterpart than what you normally might with a U.S. business counterpart.

-By understanding cultural differences

-In dealing with the Egyptian Air Force, a business person must develop a sense of patience. The EAF is reluctant to

make quick decisions and will open up only if they consider their counterparts friends. Successful personal relationships are paramount to successful programs.

-Understand cultural/political differences.

-The U.S. businessperson must take time to develop a relationship of trust with the foreign country. Sometimes this must be done through a local national as an intermediary. A person's word is in most cases more important/binding than contracts signed in many international businessman's view.

-Also depends heavily on what culture you are addressing North Europeans, Japanese and Arabs are significantly different, i.e., non-personal vs. personal.

-Takes time, patience--get to know counterpart and vice versa--don't immediately jump into business.

-Business transactions with the U.S. government can be very confusing to a foreign government representative. A personal work related friendship can avoid confusion and allow the contract to progress in a smooth manner.

-Definite need to understand the difference within the cultures for an international environment.

-Because of the significant differences in approach I felt it absolutely necessary to have a personal relationship with the non U.S. people in the IPO and also with the people on the Management Group (the body to whom I was responsible) so that I could fully understand their views and try to mold them successfully into a management approach for the program.

-Most actions done on personal trust--our system does not allow individuals to make commitments, etc.

-Be friendly. Invite them to dinner when they visit you. Show an interest in them.

-Willingness to make longer-term commitments.

-1) Realize that social time after work meeting is more important than the time spent in meetings. 2) Go out to dinner with them and drink, talk and express yourself.

-Take time to develop personal relationships. Enjoy the others culture and traditions--do not compare to U.S. Develop language skill. Be open and honest, recognizing U.S. has historically been a bad partner.

-By being frank and upfront with your French counterpart you encourage more open discourse and enhance chances of success.

-1) Speak their language in addition to English; 2) Learn about their culture and business practices; 3) Treat them as equals.

-Lots of late nights--Also, I took my wife with me to several negotiations (at my expense)...and then spent some days in host country (at my expense)--They couldn't believe it.

-Helps you understand how to handle individuals.

-Time, patience, and contacts.

-By working slowly and overtime with a foreign customer; get introduced through SAO; foster trust/honesty; take an interest in an individual's personal life (i.e. family, hometown, etc.).

-Learn counterpart's cultural traits and focus on what is important to him/her.

-Be sensitive to individual and local culture. Bring a gift. Return entertainment when visiting our country. Be sincere and honest.

-Focus on their perspective, understand their "system," work to mesh the two when they conflict as an equal (not senior-junior partner approach).

-Delete the smoke and mirrors and be more truthful.

-I feel that Europeans often think they know exactly how Americans will behave, but are always surprised when we don't fit their stereotype--and vice versa. Treat people as individuals.

7. Should U.S. lawyers actively participate in international management and/or negotiation meetings? Please explain.

-Yes. To advise and keep us straight in the end, but not let them run/dictate show.

-No. Lawyers should advise their clients who are normally policy makers.

-Yes, but only after full international sensitivity training-specifically tailored to the recipient country.

-Yes. Believe you need legal representation to make sure there are no commitments made that the U.S. can't live up to or that are not legal.

-No. Consult only. They get too bogged down in useless issues.

-Only if they have a management (not legal) perspective.

-Yes, but not as lead negotiator. Too concerned with factors unrelated to success of program.

-Lawyers would not necessarily be an asset. Team planning before the trip and before the negotiations is the key to success. Also team composition is very important and should be hand picked for each trip.

-Yes, it is important that management of programs conform with the laws of the various countries and those need to be understood during negotiations.

-During the preparation for the negotiation and during the formal process of negotiation, the lawyer(s) should be present. But, during informal "at the bar" types of meetings, the black and white lawyer point-of-view seems an hindrance.

-No. Lawyers are process, not goal oriented. Lawyers should define limits and potential problem areas up front; listen to the negotiation so they understand the "spirit" of the agreement negotiated; then translate the agreement into legalese.

-(Negotiating Meetings) Lawyers should not normally attend, unless legal issues are featured (ie. SOFA, IPR, etc.). They should comment, however, at all stages.

-NO. Legalese is killing business. It is best to have "common" language which is "reviewed" by lawyer before and after.

-Yes. But only one per team. When multiple U.S. lawyers present, they tend to argue among themselves.

-Yes. DOD MOU decision will be based on legal review. Also need to know who is statutory vice regulatory versus accommodating foreign concerns within U.S. Bureaucratic "we've always done it this way."

-Generally, no. Lawyers, if present at all, should only listen--doing any talking in private sessions. Lawyers are mistrusted.

-In my opinion it depends on the scope of the agreement. It can be preferable to use them as ad hoc advisors or for major partnership contracts, they need to be present to raise necessary questions.

-Yes, specifically lawyers skilled in interpreting federal and departmental regulations and procedures, in addition to applicable laws.

-Yes. Few people would sign or enter into any binding agreement impacting their personal lives without consulting their lawyer. Same holds here as well.

-Management--NO; Negotiations only as advisor.

-Yes. Most MOU negotiation papers are tied to U.S. law.

-No, advisory role.

-Yes. An appreciation of U.S. national law restrictions is a necessity.

-Yes, but only in a support role limited to legal issues. The U.S. is frequently Host Nation/Co-acting Nation and has contract responsibility. Also, technical data rights and patent rights need this experience and training.

-Yes. Critically necessary to insure compliance with U.S. law.

-If they have the proper attitude they can be helpful; Never until the preliminary work is done (final negotiations).

-Yes. Invaluable.

-Only in an advisory capacity.

-Yes, always; they need to understand the environment and get to know their counterparts.

-No for most lawyers, except for the rare instance where a lawyer finds ways to do things.

-Yes. You have to get their help anyway so get it as you go.

-Yes, but under rigid control.

-Yes--but please don't let them sit at the table.

-My personal opinion--no. If an agreement must be litigated to make it work, it was a bad complex as we don't need a legalistic slant on everything. However, many lawyers are careful, think of many of the alternatives and are bright.

-Yes. But NOT/NOT in early stages where the crux of the negotiation is being developed. Counsel should only appear after the overall terms have been worked out.

-Only as advisors, unless they have other business experience.

-Yes and No. If they attend, nothing will ever be accomplished. But if they don't attend, you end up doing all the work only to find it is always legally impossible to finalize the agreement.

-Only after technical approach, scope etc. are worked out. They should attend the last meeting.

-It depends on the extent of the negotiations and the issues at hand. Many times adequate legal reviews and "issue prebriefs" in the U.S. are sufficient to prepare U.S. team for international negotiations. Other times lawyers experienced with international law and Arms Export Control Act must conduct negotiations in those areas.

-Yes!! But silently. Too much legalese can definitely drive a meeting to a halt. But they do need to be there.

-Only if required. Sometimes we are hindered by our own laws, and it would lend credibility to have an expert explain.

-Rarely if ever. Government to government negotiations are based on mutual respect and common goals, National security. Taking a lawyer to a negotiation will have the same impact as passing out business cards with an "Intelligence" office symbol. U.S. lawyers litigate. Foreign negotiators are offended and closed mouthed toward U.S. lawyers.

-Yes. But you need to know host country legal considerations.

-Yes. Lawyers have a familiarity with breadth of subjects--not a single area of expertise as many of the U.S. representatives. Too much "lawyer bashing" is done by individuals who have not participated in negotiations where



the lawyer was a very valuable, if not the most valuable player.

-Not actively; advisory capacity only. Unless they have the requisite experience, they will just confuse the foreigners.

-No, not unless absolutely necessary.

-Absolutely, but they need experience--countries and contractors all seem to have 10-20 "Grey headed" counselors at their disposal.

-Legal guidance is always beneficial.

-Yes, but as members of PCO/ACO team. Perhaps more actively in Contract Management (ACO/TCO) than PreAward (PCO).

-I believe lawyers can and do play an important role in international negotiations. They can provide invaluable advice to the government team chief on various terms and conditions; and their enforceability. Their contributions and advice should always be considered.

-Naturally, if it is legalities at issue. Otherwise, I recommend no lawyer be included because it tends to create an aura of "expected disconnects" or mistrust. Bring in lawyers if the business and/or technical participants agree there is a legal point to be addressed.

-I have found it better, if possible, to hire local attorneys if things get real sticky since each country's laws are so different. U.S. lawyers can definitely help though.

-Probably not the meeting as an active participant, but certainly in the initial stages and prior to award to ensure adherence to the FAR as well as international law.

-Only if they are briefed on the program and answer to the program manager.

-Not as a matter of course. Lawyers should only get involved in a purely legal question, and then only if they are experts in international law.

-Not actively, they come across as being pompous, impersonable, and aloof.

-Only if the lawyers are as good at both simultaneously at deal and sale making contributions and inserting highly

favorable legal positions and provisions in for the U.S. side, as I am.

-Only if he is specialized in international law. No generic lawyers are needed. They only confuse the issues.

-Yes, if U.S. legal issues are involved.

-No need. Muddy discussions when no legal problems exist. Want too much exactness.

-Yes, if it is not confusing enough to understand U.S. law, international law is even worse. There are unlimited pitfalls to trap the unwary businessperson.

-Lawyers role should be to assist U.S. negotiators achieve their goals. Generally, lawyers should not be involved substantively. Such substantive involvement might taint the settled negotiation.

-Absolutely not!! Lawyers only manage to screw it up-- they do not understand goals of programs or negotiation or what is desired by both sides. Flexibility is not in their vocabulary.

-Ideally they help with proper wording and cross-check international statutes to avoid inadvertent conflict of us and foreign laws or unnecessary liability. If no experienced negotiator is on the team, the lawyer may end up filling that role.

-Advisory.

-Not in foreign military sales cases.

-Yes. The international representatives will hold you to whatever you say in meetings. A lawyer could help protect you from saying something that may work against you.

-Only if the program manager feels U.S. law enforcement will make a big difference, otherwise, the presence of a lawyer may intimidate the customer and actually hinder business dealings.

-Yes, but only in an advisor's role as to U.S. law. Negotiations should be left to the experienced negotiators and technical experts in the field.

-Absolutely. You go to jail based on our laws, not theirs. International law is non-existent.

-Not sure if always necessary.

-Lawyers should be brought in at the request of the contracting officer.

-Yes. It would help U.S. lawyers understand the governmental restrictions placed on government (international) owned businesses, as the case was in Greece. The Greek government owned Hellanic Aerospace Industries.

-No, normally the U.S. lawyers are not familiar with international environment. However, an international lawyer might be beneficial.

-Negotiations yes; management no. Negotiations set the framework and must have legal basis. After that, lawyers should only be involved if there is a change or substantial issue but not in day to day management.

-Only if absolutely necessary.

-Yes--in ensuring precision of language in formal agreements.

-No--only a resource if needed; not in the mainstream.

-Yes, when dealing with issues that may have significant implications after the basic technical understanding is achieved.

-In Japan--NO. Negotiations must be based upon trust and goodwill. In Europe--only for MOUs or other meetings where lawyers are absolutely necessary.

-NO!! Most lawyers are nitpickers, detailed and haughty and self-righteous in these meetings. They can destroy, in minutes, a personal relationship that was built in a year.

-Yes. U.S. and International laws are very complex and a lawyer can facilitate negotiations impacted by law.

-No. Our lawyers inhibit the process significantly now--we should not increase the opportunities to add to the difficulties of international negotiations.

-Yes, to the extent authority for the agreement is at issue, otherwise the technical participants should handle the negotiation.

-Yes. We must not deviate from the U.S. laws and only by participating can these be maintained.

-Only when required, e.g. language in MOA, MOU, etc. Interpretation of applicable national laws, assuring that agreements (language) is compatible with U.S. laws etc.

-YES. But they must remember who is in charge and what their purpose is--law--not management.

-Yes--international law is quite different. You must comprehend the differences.

-Behind the scenes advisors vice active participants. Anything can be worked out at a high enough level. Why raise legal issues that can ultimately be made to go away by Congress/White House?

-Yes. U.S. negotiators have very little power without a legal O.K.

-No. They should provide advice and outline legal bounds but not directly participate. Let the experts achieve the objective then put the legalize on before the final agreement is signed.

-I don't believe so due to differences in legal systems.

-NO! The mere presence of U.S. lawyers creates an atmosphere of distrust.

-No. They would bog down negotiations. Negotiators for the most part know basic laws and regulations. If a legal concern surfaces at the negotiating table it can be handled as an action item to be answered later. Presence of lawyers could be somewhat intimidating to a potential customer.

-Would depend on size and type of negotiation and the potential for legal problems. To this point, I've never had a lawyer involved in the international negotiations I've been involved in (Germany, Belgium, Japan, Korea, and Canada.)

-Yes, we need them to address legal (or legal-related issues) and to serve as counter weight/foil to their lawyers. (They can often "go into a corner" and "talk lawyer" to resolve specific technical points in "standard" MOU sections. Saves a lot of time and trouble.

-No--the primary negotiator should be experienced and informed enough to take the negotiation to completion where it only needs to be documented by a lawyer and signed.

-No. No candid discussions--everyone watching what they say too carefully.

-Yes--they have an advisory role--not a lead role.

-Yes, it is important that the language in the document says what you think it does legally.

-No--basic distrust of lawyers exists unless both sides armed which tends to limit exchange of data.

-Yes, to the extent they are protecting U.S. resources according to existing laws.

**8. What role should U.S. lawyers play in negotiating and/or managing international programs?**

-To advise and keep us straight in the end, but do not let them run/dictate show.

-Lawyers should advise their clients who are normally policy makers.

-Support only. Let real people do the negotiating.

-Lawyers should be present to provide advice and guidance.

-Consult when back home.

-Keep them out of management!

-Advisor; owner of lessons learned.

-Loaded question! I suppose that lawyers with a grasp of international law can be valuable, but personally, I think a well prepared team can.

-It is important that management of programs conforms with the laws of the various countries and those need to be understood during negotiations. In managing as required by the program management (U.S.).

-During the preparation for the negotiation and during the formal process of negotiation, the lawyer(s) should be present. But, during informal "at the bar" types of meetings, the black and white lawyer point-of-view seems an hindrance. The lawyer, due to training, usually does not possess the flexibility needed to manage an international program.

-As little as possible if you want to ever get anything accomplished.

-Read in early and advise throughout.

-Review only--before & after.

-Provide advice to team chief when asked for advice or to keep team chief legal. Do not run negotiation!

-Advisory.

-Team members only; must recognize expertise of others and respect same. Serious legal objections, esp. when against a U.S. position or statement, should be discussed off-line, in national caucus.

-Negotiations and policy formulations are within the lawyers realm....management should be left to the managers. Poor approach to build a contract and also execute it....from a legal perspective.

-None, unless legal issues are the only issues, e.g. international law.

-Staff assistance to principal negotiator.

-Background, advise only to negotiator.

-Member of team, responsible for advice. No management duties.

-Only in a support role limited to legal issues. The U.S. is frequently Host Nation/contract nation and has contract responsibility. Also, technical data rights and patent rights need this experience and training.

-Principal advisor to chief negotiator.

-Should be helpful not obstructionist. Should explain alternatives. Should stick to law not try to manage. Two often don't mix.

-Resource sitting in on all negotiations.

-Advisory.

-Advisors to responsible manager.

-They should provide prior written guidance on the negotiation issues with ways (and words) to get things done. As far as managing international programs they should let the manager know if something is illegal only--otherwise let the manager do his job.

-You have to get their help anyway so get it as you go.

-Advising.

-None--U.S. is too court oriented. One cannot use legalistic force in international trade.

-After the first draft is worked out, then legal should be called in.

-Advisor.

-Quick advisors.

-Advisory only, and limited to legal questions only!

-Lawyers should not manage programs as a general rule (PMs must be generalists sensitive to all disciplines). Lawyers are a very important member of the international management team and should be used by the PM as their principal advisor.

-Silently. Too much legalese can definitely drive a meeting to a halt. But they need to be there.

-As little as possible.

-Remain invisible to the program while providing legal opinions on contractual procedures only. They should not be directly involved in the negotiating process. If mistakes are made at a negotiation favoring one side or the other, changes can and are often made. The lawyer would bind the terms and conditions right or wrong. The program would then suffer.

-Monitoring, etc.

-Major.

-Advisory Role.

-Advisory--needs to understand the in-country requirements.

-We need a nucleus of "international experts"--break the world up in manageable areas, then assign folks to each area. Within about 10-20 years, we will have some expertise in that area.

-Advice to the negotiation team--not active unless requested when in active negotiation with the foreign government.

-None.

-None.

-Support negotiations as required (review clauses, other language, etc.) I don't see a management role for lawyers.

-The role should be to advise the contracting officer. The lawyers should pass on legal sufficiency, the contracting officer should decide on what's best in a business sense. Lawyers are very important when it comes to settling claims.

-Resolution of legal disconnects; legal guidance advice to team leaders/managers; even if a leader/manager happens to be a lawyer, he should be a lawyer second.

-They play an important role in assuring U.S. government agencies include all applicable U.S. laws and other statutory requirements in all contracts.

-Advise the PCO's and negotiating team on the restrictions, or lack-thereof, yet not play an active role in negotiations.

-Very little.

-Be accountable for determinations that we can do what we negotiate.

-Very little!

-For legal guidance only and not as part of a negotiating team.

-First, always coordinate in advance with competent and creative lawyers on our side. Second, fire, at once any lawyer who is a bureaucratic hindrance and not a real contributor of smart solutions and improvement.

-An active role if specialized in International Law.

-No management--advisory only.

-None.

-Limited. Just be sure you don't violate U.S. law.

-Advisor/consultant on legal pitfalls.

-Again, as above, a functional role as advisor.

-Rapid review of documents that are drafted from negotiations for legality. That's it!!!

-Advisory.



-None.

-Lawyers are not managers and should not play a role in the management process.

-Little, if possible.

-None.

-Provide advice and guidance on U.S. laws, policy and regulations as they pertain to the issue/program being negotiated.

-Significant. U.S. law/regulations must be followed.

-Know/advise on limits U.S. can go to in meeting commitments or making changes; letting U.S. negotiator know his/her "authority" limits.

-None.

-None, unless their familiar with international laws and customs.

-US lawyers need to play in negotiations to insure what we are agreeing to is legal or if not the feasibility of getting an appropriate waiver. Unfortunately, in some of the negotiations I was in the lawyer became the primary speaker when in my view they should have been talking to or through the U.S. negotiator. Once you have the MOU, get the lawyers out of day to day management.

-None.

-Assisting in accuracy and comprehensiveness.

-Try to get guidelines ahead of time so you can eliminate lawyers from negotiations if unable to do this, include them.

-1) Cautionary, advisory role; 2) preliminary heads-up on any potential legal issues.

-Advise negotiators beforehand to prepare them for the meeting. If legal advice is needed during the meeting, it can be obtained by telephone/fax not later than the next day.

-Support and help U.S. primary people/most knowledgeable people to achieve their goals. Stay in background.

-They should be a member of the team providing input to Chief negotiator.

-They should practice in helping us to make the process work rather than throwing roadblocks in the way of international business at every turn.

-Role is limited to ensuring agreement is within legal authority.

-Advisor only.

-No involvement in managing international programs; limited in negotiations.

-Lawyers should be there to keep things legal. If you get one who understands management or acquisition, let me know. No way should they be involved in management.

-Assist U.S. team but not be lead negotiator--could start WWII.

-Advisors.

-Advisory and supportive.

-By providing sound, clear advice; outlining legal boundaries such as treaty obligations, international law, etc.; recommend escapes if you get boxed in.

-Protecting U.S. firms from foreign laws/taxes. Ensuring U.S. firms don't violate U.S. laws.

-Stay out of sight.

-They should be on call, but separate from negotiating and management functions.

-U.S. lawyers should provide the negotiation team with any legal advice as would be required to complete a successful negotiations.

-Supporting, not leading role. If they are put in lead role they often focus on technicalities vice fundamental program issues that generally determine program's chance for success or failure.

-None--unless he is the most informed and knowledgeable person on the negotiation topic.

-Review program outlines prior to U.S. team negotiating so no embarrassing roadblocks occur after the fact.

- An advisory role--not a lead role.
- Advice and legal language.
- Sideline advice givers.
- Advisors to the U.S. program managers.

**9. What problems were experienced due to differing languages?**

- Believe it or not, the same words in British English and American English have different meanings; also we and American English have different words for the same thing. Other languages-obvious translation problems.
- Additional time for translation/misunderstandings.
- Even in English, careful choice of words is vital.
- When negotiating in other than the English language through interpreters, sometimes the meaning of words or the intent were not always clear and that has lead to some misunderstandings.
- Slows down process considerably.
- Usually they spoke English-one case in Japan it was a problem.
- Their ability to speak English and your lack of ability to speak their language causes some minor resentment under tones-not a big problem.
- At one point our COCOM team suspected that the Japanese were being technically obstinate and running contrary to the U.S. position. However, it turned out that the Japanese delegates English just wasn't up to par and that when things were clarified, the Japanese sided with the U.S. position.
- The problems are minor if each participant makes sure the meaning of his statements is really understood. Too often each side will say yes I understand, when in fact they don't for reasons of language, customs, etc.
- Sometimes, each side's definition of a word was not the same.
- German teams can always understand English--all side conversations by U.S. are understood by German. On the

other hand, the German side can usually use German with impunity. Therefore, they have greater flexibility in communicating/coordinating their efforts.

-Slowed pace considerably (English/French). Difficult to understand interpreters. Much repetition.

-They can generally speak English since it is the "official" business language. But you would be more successful if you knew their language.

-I've been in 28 countries--only found 2 without English skills--Brazil and North Yemen.

-Minimally in the case of Spain; FRG--comfortable with English; UK--constant semantic problems.

-Most Germans speak some English, but our assumption that they do is arrogant--if merely as a gesture, more emphasis ought to be placed on a quick schooling in amenities, at the very least. Language problems are not severe in US/FRG relations, but the ability to speak German is certainly a powerful tool--it is so unexpected that it often disarms!

-Frequently it's not the "words", it's the meanings tied to the words. Translators are easy to come by.

-No. Germans speak English! U.S. knowledge of foreign language is useful.

-Flawed understanding of limits on a particular exchange.

-Only with France--need to take time and be more precise--patience.

-Same words have different meanings, problem is compounded during translations.

-Minor.

-Lack of clear understanding.

-Always used interpreters as an extra measure. Even when really not needed.

-French provided comments and proposed wording in FRENCH. We asked them to submit them in ENGLISH, they sometimes did. We have sent documents to French embassy in Washington DC for translation. Would you believe this--there is no U.S. person in the PENTAGON, or Washington DC for that matter whose job is to translate FRENCH into ENGLISH! Washington DC people are told to send documents to the FRENCH embassy.

-Very slow. Loss of meaning leads to misunderstanding.

-U.S. side believing that other side understood and attributing the other side responses to other factors instead of possible mis-comprehension.

-Differences in the meaning of phrases. All Air Corp Personnel should be sent to at least one language Course. (Any language! Just to show a willingness to learn another language.)

-To the extent time must be taken to ensure message received and understood. With English speakers, we assume understanding. Shouldn't do that with foreign language speaker.

-U.S. team would forget their audience and speak too fast or use English terms not commonly understood (slang, colloquialisms, etc). English comprehension level of foreign customers was less than what U.S. teams assumed. Often customers would nod to convey agreement or understanding to hide their lack of English capability. This was compounded by U.S. team failing to pursue complete understanding by questioning or asking for their restatement of conclusions reached.

-Misunderstandings as a result of choice of words.

-Technical discussions over LOCPD with France. French General's discussed French tactics and capabilities in French, their desire for cooperative R&D were based on these discussions. I could not convey this information to the Air staff representative hindering his effectiveness. The translator was specifically told not to translate. Agreement was not reached resulting from this missed opportunity.

-Numerous misunderstandings.

-Many Europeans have learned and speak well British-style English. But American is different and many foreigners do not have an inkling about our acronyms, special terminology, and idioms. Results is confusion and delay.

-To some extent--making sure that there is a fully understanding of the issues and agreements.

-Most problems are caused by our mentality. "Hey dummy--how come you can't understand American?"

-Communication seems to be conveyed, but meaning/interpretation not received. In Arab/Moslem

culture the strong need to "save-face" will cause acknowledgement of understanding when no understanding existed.

-None.

-Ability to communicate depended wholly on the other persons understanding of nuances of English. Lot of room for error in, "I think I understand what you thought you heard me say, etc...."

-Certainly this adds much time to the process. Misunderstandings over terms and conditions exist. You may miss subtleties and shifts in negotiation positions by being ignorant of the other's language, you cannot pickup useful clues on the strengths and weaknesses of opponent's position.

-In Saudi Arabia, their language simply does not contain many of the technical words that exist in the Western culture and are crucial in business; unintended insults; misunderstood direction.

-Most Malaysians speak excellent English. The biggest problem is usually that very few Americans are bilingual.

-The subtleties of the contract written in English must be fully explained and understood and understanding should not be assumed. Slang used by U.S. negotiators must be avoided as well as euphemism and regional dialectic phrases if possible. Most foreigners are taught very strict English and follow a literal translation, not the figurative.

-U.S. team did not understand even when the other country team spoke in English. Therefore, in country U.S. team explained meanings. Other country team could speak English but did not always understand true meaning.

-Somewhat! Often subtleties of certain words in English are not clear to foreigners and confusion and misunderstandings can occur. Differing languages also extend the time required to reach agreements.

-Lack of understanding of intent, conceptual aspects of project and expectations.

-Most Americans speak no foreign language. Communication success is therefore dependent on the not-always-so-good English of the other party. Misunderstandings are inevitable. Problems are usually resolved once a written record is reviewed but this results in delays while misunderstandings are renegotiated.

-Yes, but minor.

-From U.S. perspective, if English language is used, it's often assumed that your counterparts "understand," when they do not. There's a need to exercise great care, and use clarifying words.

-Lack of understanding--Too much time taken to interpret language...reach an understanding.

-Some cultures don't allow individuals to say "I don't understand."

-Translation is time consuming. Finding good translators is difficult. Difficulty in adequately translating technical information since few translators are technically trained.

-Terminology and understanding were different.

-Not significant because most foreigners (participating in international programs with US) have good understanding of English. Actually, we are at a disadvantage when side discussions are being conducted by our counterparts in their native language.

-Different understanding of words we take for granted.

-Re-explaining previously discussed items to ensure a full understanding of the situation.

-It increased the potential for and the number of misunderstandings.

-At times the language difference can cause miscommunications between the U.S. and the Egyptians. One must carefully communicate his thoughts taking into consideration any language differences.

-While our counterparts all spoke English as a second language, there were phrases that caused confusion. Since they spoke English so well, it took longer to realize how much trouble they were having with their comprehension.

-Inability of U.S. personnel to speak the language resulted in some issues not being clearly understood by foreign country. Also resulted in time lost during attempts to translate concepts and ideas by host country during the meeting.

-Only in subsequent implementation.

-Other country may want translations of documents in their language to be "equally binding" with English version--can be difficult. Lack of understanding during conversations as to what various terms mean.

-Some concepts have been a little harder to communicate. Not all foreign government participants speak English. Meetings can be lengthened waiting for translations to be completed.

-Greeks were bilingual and spoke English.

-While the official language was English and all spoke fairly good English, the meanings of certain words are different (even between the British and the US). Also even though you got agreement on the "words" in Management Group decision sheets, it often turned out later that they were not understood in the same way. There is no solution to this, international participants just need to be aware that this will happen and not to be surprised.

-Only when it was an advantage to "not understand."

-They were usually minor; Japanese say yes and it often means "maybe" or "no" depending upon the situation of harmony, saving face, etc.

-No problems--because others typically speak english. But others can and do talk amongst themselves so U.S. cannot understand. This has insulted some unexperienced U.S. folks.

-It places limitations and requires careful documentation of expectations.

-Lack of clear understanding of positions expressed.

-Translators do not always pick up on all the nuances of technical discussion--this creates room for misunderstandings between the two or more parties.

-Everything is slower and prone to misunderstanding.

-Meaning of words different. A lot of time has been expended only to discover all parties had the basic understanding.

-English is generally the language agreed to, however, speaking and understanding the other language has many advantages obviously.

-Only to the extent it adds time--communication in English is hard enough.



-Words can have different meanings.

-Minor problems only.

-Misunderstandings/slow transactions.

-Some foreign representatives can only express themselves in a limited fashion--you need to go below the surface to insure proper meaning. Don't accept words or body language necessarily at face value.

-Misunderstanding of technical terms; Lack of thorough communications/understanding.

-Interpretation of common terms, expressions, words.

-There have been times when negotiations were conducted through an interpreter. Much time is lost in the communication process. Some countries will not show their non-understanding, so as not to embarrass their U.S. counterpart. This sometimes causes problems.

-Simple "understanding" of each other.

-Slowed down progress when translation is required and simultaneous translation not available.

-If language problems exist--an interpreter is a must.

-Opposite meanings of words/phrases; slang expressions not interpretable.

-Not extensive, but you need to get used to the British use of the word to "table" an idea.

-Customers spoke fluent English.

10. What specific problems, if any, did different customary nonverbal forms of communication such as gestures or facial expressions present?

-Varies significantly.

-Japanese delegate was dead-panned (facially). Dutch delegate couldn't control his surprise when we demonstrated technical intellect that he didn't expect us to have.

-Israel--Emotion easily showed on their faces/posture/etc.; not always believable, acting. France--A bit of arrogance, but workable. Japan--Extremely polite, tried not to let

U.S. perturb them, but unhappiness was often evident.  
U.K.--Acted as if U.S. was very "pushy" and in a hurry.

-In certain countries, like Japan, there is an extensive non-verbal language where they communicate between themselves in a negotiation (when to be silent, the U.S. people don't understand, etc.)

-They controlled non-verbal quite well and read ours in negative terms based on their culture.

-Counterparts expect no/limited nonverbal communication during negotiations. Emotional reaction is not received well.

-Dealing with "familiar" European culture.

-Use of left hand--Arab World; Bobbing foot--Zaire;  
Touching--Arab World.

-Austria--procedures for proposing a "toast" are different (no real problem).

-"Face in Asia"--Bottom of foot, social speaking order;  
Mid-East--Left hand, women, etc.

-Arab greeting courteous/non verbal communication are radically different from ours. Once learned/understood this is not a major obstacle.

-U.S. non-verbals are often taken as insults in some countries such as Korea, Japan, and Muslim countries. Feet up in the air and showing the sole of one's shoe comes immediately to mind as an insult in Muslim countries.

-Malaysia: gestures or facial expressions indicating "yes" when the answer is "no."

-Israelis "rant and rave" with seemingly hostile facial expressions and later act as if everyone is still "best of friends." For them this behavior is normal!

-I always study culture before visits/discussions.

-Tended to confuse--non verbals did not appear to reinforce verbal--instead they seemed to contradict.

-Europe--not much difference; Far East/Middle East--more effort to "show" agreement/understanding than really exists.

-Japan--embarrassment/loss of harmony.

-Have only dealt with European countries.

-French have a tendency to carry on side conversation during presentations. This is particularly distracting to U.S. negotiations who are not attuned to this cultural difference. It does not bother other French participants in the least.

-Both Turkey and Saudi--more nonverbal communications generally used to compensate for language problems.

-(Japan) In U.S. a nod of the head usually means agreement. In Japan it means they've heard you (but not necessarily understand you).

**11. Please explain any specific problems introduced by the use of a translator.**

-Sometimes words (especially technical terms/idioms) cannot be literally translated.

-Inadequate or "non-technically perfect" translation causes inaccuracy or errors. Slow--Americans lose patience.

-The temptation is to look at and talk to the translator. Its important to look at and talk to the person responsible and not the translator.

-Lengthy discussions.

-1) Slows you down if your briefing is extemporaneous or if you wish to depart from prepared text. 2) National humor often does not translate well. 3) Sometimes words and meanings lose "precision" in translation.

-No, except that technical Japanese is not widely understood by Japanese or Americans.

-Difficult to understand. The words all were understandable, but the total thought often was not.

-Not by me, but can be a problem. My translators have always been well known business contacts who know me. Can be a problem if you don't know your translator.

-One of my roles is to monitor interpreters; if I detect a language problem, I get it corrected. Translation, i.e., written products, are more problematic--we need more/better reviewers/certifiers of translations.

-U.S. not use to using interpreters.

-US team spoke too quickly, in complicated sentences. We need to slow down and communicate single concepts.

-Time consuming; equipment problems; translators are not technical people, they don't understand.

-Technical vocabulary.

-Lack of experience using translator--i.e., speaking to fast, using colloquialism.

-Translators translated real-time during a technical presentation I once gave. Translators have been a large problem in other briefs where you say a sentence and stop while the translator translates.

-Translator didn't know all the military/technical terms. Translator was not familiar with our business and did not himself understand our points or terms.

-Avoid talking directly (solely) to the translator--lean on your counterpart with eye contact, etc.--not easy to do but necessary.

-In my highly technical area Pharmaceutiuds, most if not all well educated foreigners speak English. However, knowledge of their language is very helpful on a social level--not--NEVER--on a negotiation basis. This gives the English speaking native an advantage.

-Failure to convey meaning and context of customer's message. Unfamiliarity of translator with program or technical terms served to compound problems of failure to convey meaning and context of customer's message.

-As long as one other person understands the language.

-Didn't understand highly technical aspects of system, etc.

-Translators embellish--not always true to spoken words.

-Many Europeans have learned and speak well British-style English. But American is different and many foreigners do not have an inkling about our acronyms, special terminology, and idioms. Results is confusion and delay.

-Suspected--you never know how much is filtered.

-The process of business was slow. Some choice of words could not be translated.

-Only additional time.

-Translators frequently don't understand U.S. acronyms or system unique technical terms; but rather than admit it, they guess and press on.

-Some delays, security issues. Especially if translator is not well versed in specific technical terms, etc.

-Minor.

-Lack of understanding technical terms on the part of the translator has led to misunderstanding/confusion.

-Translation is time consuming. Find good translators difficult. Difficulty in adequately translating technical information since few translators are technically trained.

-Only if the translator was not familiar with technical terms.

-The translator was part of our team who spoke other languages fluently.

-All counterparts at the technical level spoke fluent English. Translators were required for ceremonies or formalities involving higher level officials.

-Slow, time consuming. Never sure that correct meaning is being transmitted, especially when there are seemingly long "side discussions" between translator and other party.

-Used only while the French were in the program. Depending on the skill of the translator, there could be significant disruption to the meeting if the translator could not speak softly enough into the ear of the receiver when there was no translation booth at the meeting room. Also articulation or speed of particular individuals in the meeting.

-Need to make sure the translator is honest and on your side.

-Translation of technical terms; idioms; filtering effect of translator, social sophistication of translator (should be able to assist in entertaining during social evening such as telling jokes, etc.)

-Primarily time; sometimes several iterations were necessary to assure that correct meaning was conveyed.

-Counterpart often adjourned or took breaks for private conversations away from translator.

-Much more time required; More difficult to develop clear understanding of opposing views.

-Slowed things down.

-This could be a problem if the translator does not know or understand the terminology.

-Extreme time delay.

12. From your experiences, what constitutes a good international business gift for a U.S. businessperson to give?

-Can't say.

-In UK-a necktie with small program logo.

-Should be individualized.

-Something small, but well chosen, based if possible on solid intelligence about your counterpart. For example if your French counterpart is a wine expert, a well chosen bottle of California wine would be perfect. If the person was a golf nut, perhaps some golf balls. Key is: a person really knows if a gift or memento is grabbed at random, or if it really "fits" the recipient.

-Japan--Color plate book on appropriate subject (such books are very expensive in Japan); good scotch whiskey.

-Something American! Books, California wine, Bourbon, Company/Government logo items.

-Items with your company logo on them; something unique to person (I gave a U.S. history book to a Japanese man who likes history; always inexpensive.)

-Artwork or other "original" American handicraft.

-Military plaques. Same as for presentation to U.S. military; <\$10, something with company logo. Pocket knives and pointers seemed popular.

-Varies--best gifts are often very expensive in the host country but cheap in U.S., e.g. golf balls, booze.

-Pens, scarves, pocket clocks or calculators, liquor, card holders.

-Germany--none required; maximum would be a company memento; if invited to someone's home, always bring a gift

for the hostess (flowers, chocolate) or host and hostess (e.g., bottle of wine)--not too expensive (\$10 or less).

-Varies.

-UK--none; GE--a form of gift commemorating the transaction and directly related to it.

-Pen/pencil sets with U.S. flag/company logo. Tie clips, money clips. Quality stuff/not junk--i.e., give cross or equivalent pen set.

-Book about your country or region.

-Military to military. Gifts tend to be patriotic, point to mutual successes.

-An item that doesn't appear cheap and the recipient can associate it with a particular event.

-When entertained at home--flowers/candy; Anytime--lawyers give books/US laws/regulations.

-Dinner.

-Something small tasteful and useful. Something commemorating; Something representative of the U.S.

-Pin, pen, tie.

-A nice picture (photograph) book from his U.S. experiences is good with Europeans.

-Coffee cup; picture of equipment; something small of very little market value--we must follow government rules.

\*Note: the rules the U.S. requires of its employees--i.e. no free lunches or dinners--put U.S. people in a difficult position and also embarrasses the foreign people.

-U.S. military have dollar restrictions and no budget for these. We frequently gave U.S. military tie tacks, cufflinks, booze and plaques.

- Book on US.

-Good writing instruments.

-Something from the "old west" at a value level comparable with their gift.

-Small, inexpensive token only.

--Depends on the country, but MICOM's plates are sometimes viewed as an insult.

--All countries--a photobook or photohistory book in my case (USAF), of aircraft.

--Something that blends the proper business arrangement with remembrances of the USA or of the interpersonal relationship established.

--Something with U.S. words, organizations, etc. on it.

--Plaques, "Official" memorabilia such as pen set with USAF logo, books.

--Set of pen and pencil--3rd World Environment.

--Buy lunch/dinner/drink.

--Wall decoration; American Bourbon Whiskey.

--Flowers for the wife, wine for the husband.

--I really do not know! Each situation is different--something in value between \$20-40.

--We are in 21 countries--they each vary--it could be flowers for the spouse--toy for child--bottle of wine/scotch--not expensive--has to be within budget of person because they are obligated to reciprocate.

--Plaque.

--In Europe--a good liquor or wine.

--Unit plaques work well everywhere: baseball caps with unit logo; key chains with unit logo; coffee cups with unit logo.

--Saudi Arabia--inexpensive personal gift, i.e., money clip, pen, U.S. mint coins, a painting; something with standard inscription; etc. Europe--bottle of favorite liquor (if appropriate); inexpensive program related items, plaques, etc.

--Most anything that signifies something important, U.S. heritage, culture, etc.

--Some item indigent to the area the U.S. business man comes from, or hard to get in the foreign country. Company souvenirs are usually used or a plaque or commemorative of the meeting.



- Unknown. Not acceptable for U.S. government in most cases.
- Something common to or unique in U.S. but not generally available in the foreign country. (Europeans)
- Something related to the business pictures, plaques, working material.
- Food, wine, or a more specific gift, if background of receiver is known.
- A cultural gift such as a quality picture book of your state, city, etc. or a souvenir unique to a certain region.
- Handsome, book of the U.S. (Washington, D.C.), with illustrations, with greeting in their own language from you; pen; photograph of them in America, at Pentagon, White House, etc.
- A souvenir from PCS station.
- Token exchange.
- Remembrance symbolic of your organization.
- Something from US, customized pen, nothing expensive.
- Something uniquely American and preferably made by or representative of your local area or business. Also gifts that tend to be status symbols or unavailable in the recipient's home country.
- We have several options depending on the individual--cross pen sets (with U.S. Navy seal); engraved paperweights; books on U.S. Navy themes.
- Medallion with company logo.
- Books of the U.S. which contains lots of colorful photos.
- Something in relation to what the company builds or sells.
- Use common sense based on country's customs and religious practices.
- Something representative of your unit or organization, i.e., WPAFB-Wright Flyer.
- Small F-16 statuette or plaque.
- Desk top model of product, paperweight with logo, or coffee table book of USA scenery.

-Country--any--office mementoes--key chains, pens, plaques.

-Something that is representative of the organization/business to which the individual belongs and if possible have it personalized by having a nameplate affixed.

-Depends on culture. Usually something U.S. but not a cheap souvenir. Something personally owned is sometimes good.

-For DOD person--Bound book on something related to DOD (e.g. "The U.S Army--Today"--pictures, etc.). Unit plaques "unit coin".

-General Dynamics gives F-16 tie tacks and pens.

-American made products.

-Tie or tie tack.

-Something unique and a little personal.

-Any low-value "trophy"--e.g. plaques, mugs, etc. with project logo; Document wallets with meeting/conference inscription, etc.

-Cups, paintings of local landmarks, books.

-Something emblematic of your organization.

-Company plaque or pen and pencil set.

-Model of relevant system; flag sets.

-Depends on rank--silver bowls, plates, etc. to high ranking Vice Presidents or local crafts (i.e. small watercolors of DC, etc.) or notebooks, key chains, etc. for lower ranking visitors.

-1) aircraft models, etc; 2) books on the U.S.; 3) coffee mugs.

-U.S. government constrains this practice for MITRE personnel: office diary; relevant picture; luncheon.

-Something not too expensive, from your local area, photobooks, U.S. calendars (no advertisements), road atlas, nice pen set, American sports equipment, even something like M&M candy.

-Mug with program name; coaster with program logo. Higher ranks--plaque (engraved). Business card holder.

-Model of system.

-Commemorative plaque, book.

-Food (nuts).

-Something uniquely American.

-Turkey--Sears catalog items/cigars/books; Saudi--Aviation related personal items.

-Something interesting and unique to our culture--Koreans loved a small collection of American arrowheads; Taiwanese, an American baseball hat.

-Inexpensive, but good, pen with some pertinent inscription or engraving on it.

-Something with more personal appeal than monetary value. In my opinion, this is nice but not an absolute necessity.

-Something from local home area.

**13. From your experiences, what conversational topics should be avoided with international counterparts?**

-Things you don't like about their country/culture.

-I have not encountered a problem in this area.

-Stay away from being too "humorous." Don't make disparaging statements about hosts "politics" or sticky topics. (Listen more, ask questions.) Don't be the ugly American.

-Generally, references to WWII when dealing with Germany. Internal politics with any country because like us most of them are not capable of changing anything as an individual of companies and often this leads to deteriorating discussions.

-Japan--Family doesn't mix with business until much later in relationship, if at all. Never presume to use a man's first name, it is too familiar, women's names are not usually a problem.

-Anything may be discussed.

-Religion, politics--especially theirs, unless very general; American "problems".

-Never criticize their religion or politics; all topics are OK as long as comments are positive.

-Politics, religion, relations with other countries. Several U.S. Generals and SES's tell one country how great things are with another. Very poor judgement!

-Foreign politics/scandals.

-Politics, people, customs, personal behavior, religion, marital status.

-Politics--unless it's a very long term, friendly relationship.

-Germany--none; although referring to the Bundeswehr as the Wehrmacht (happened last week!), or united Germany as the Reich is not smart; WWII can be discussed, but need to watch/gauge partner's reaction.

-Varies:

-Depends on the country. Southwest Asia avoid questions about family, Israel; GE avoid WWII.

-Depends on the culture involved.

-Really none. U.S. need to know that GE is sensitive about some war issues of the past (Nazis, holocaust, etc.)

-Politics, religion, and sexual exploits; at least until a relationship is established that will guide/warn of problems, compromises.

-Politics and religion.

-Salary/income.

-Follow common sense.

-Anything that dredges up the country's or host's unpleasant history.

-Same as with a U.S. business man--for Europeans (my experience).

-Past conflicts with countries; religion; anything else you wouldn't bring up with another American.

-Personal standard of living and/or income levels.

- Politics!
- Religion and internal politics to that country.
- Hot spots in the world.
- Truly varies. Depends on the nature of the business partner.
- Politics and religion.
- Internal politics and religion.
- U.S. relationships with other countries.
- Depends on country culture. Requires research!
- Internal affairs/politics.
- None that I've encountered.
- Politics and religion, especially internal political rivalries.
- Wives, sex, money, etc.--3rd world.
- Your roots (if you come from humble beginnings); sensitive political issues; Socialism/Trade Unions, etc. (if negative).
- Depends on the country.
- Not many--again would depend on the individuals involved.
- Again varies with country. Religion--most countries; wives/family--some countries; American slang--all.
- Religion and politics--in some countries (Saudi) extreme care must be exercised in discussing women.
- Canada--nothing you couldn't discuss in the States.
- Internal country problems, fair trade practices, GATT, etc.
- Religion, politics.
- Religion, politics.
- In Arab countries it is not prudent to discuss Israel. Care must be exercised in discussing "hot" political topics. Discussions of civil unrest or internal problems

of economy or poverty may embarrass host and put them on the defensive.

-Religion; politics; crime rates; racial unrest.

-In a Muslim country it didn't go over very well when discussing the Gulf War. In Malaysia don't express opinions on the refugee problem. Avoid local political issues/decisions.

-Politics, religion and social issues with a drastically opposing view point relative to the country visited.

-Political unrest in their country; religion differences; other country topics such as anything nice about Greece while in Turkey.

-Gossip, jokes, their politics--Japanese and Europeans.

-Obvious argumentative/national pride topics such as "concept of royalty" or the "IRA" while in the U.K.

-Same as in U.S.: Sex, religion, age, etc.

-Politics, crime.

-Women and in particular wives of Arabs (Egyptians).

-Personal family problems of their off-spring or spouse; non-humorous criticism of their government leaders; religion.

-Controversial Issues! 'Soft Spots.'

-Politics, religion.

-Cannot generalize--a function of current events, country, etc.

-Until a good friendly relationship is established, I am careful about discussing political events or views, religion or family (personal) aspects.

-Depends on country. Taboo subjects differ.

-Family; Religion; politics.

-I attempt to keep the discussion on the business topic and avoid political and cultural topics.

-Topics with emotion laden content.

-Personal questions.

- That country's politics.
- What good sense tells you not to talk about (ex., sex, religion).
- Statements regarding specific stands on terrorism.
- Turkey--I didn't avoid any topics. It did not cause any problems.
- Politics--i.e., Arab-Israeli conflict.
- Political ideologies and problems concerning the economic conditions of the country.
- Women's rights.
- Country--any--family, politics, stay with work related subjects.
- Politics and religion--a no win situation.
- Culture!! Initially no family until he introduces the subject, be conservative. Knowledge of his history and culture or questions of interest are great.
- Intimate details about family, religion, politics (in that country).
- Politics and religion.
- Don't mention Turkey when speaking to Greeks.
- Religion and politics.
- Local politics; discussions of other team member's objectives; use common sense.
- Second World War with any continental Europeans unless they broach the subject--when a sympathetic response is needed.
- Religion.
- Sensitive political topics that can polarize the relationship.
- Family.
- Host country's political environment--particularly if viewed negatively by the U.S. side.

- Haven't had a problem with any topic.
- Politics.
- U.S. this and U.S. that; World War II with Germany.
- Varies depending upon relationship.
- Politics.
- Same as in U.S. -- politics, illnesses, sex, etc.
- Religion, politics, women, anything negative about a country.
- Saudi--Sex, women, Saudi government; Europeans--Government leaders, race.
- Be real careful with jokes; religion, politics, sexual.
- Political.
- Politics and religion.
- All religion, politics.
- International issues between U.S. and customer country, e.g. Israeli occupation of West Bank.
- Sex, religion, politics.
- Stay away from international controversial subjects; do not question or criticize local, national policies, customs, business practices, and so on.
- No specific topics, depends on the personal relationships.
- Politics, religion, controversial social customs or issues, and international conflicts.
- Use good sense--avoid politics, religion, and negative comments about groups of people.
- Very seldom do they want to talk about their religion--politics, sports, etc. are okay.
- The pope and Poland (sensitive); what role official had in previous Communist regimes.

14. What problems, if any, have you encountered with greetings, titles or the exchange of business cards?



-Acronyms-ours & theirs!

-You must have them, but there is no formal stress for that in DOD. I got my first business cards because I thought it was a good idea, not because the "system" supported it.

-More difficult to remember oriental names.

-Titles-sometimes difficult to determine where folks fit in their hierarchy.

-Often U.S. government personnel don't have business cards.

-Japan--Americans do not read the cards before putting the card away. The job title on the card is the man's status and we often offend. Remember who you give cards to, (on a normal trip to Japan, I give away 100-150 cards and embarrassed my self once two months apart.)

-Japan--not paying attention to cards; Europe--first name usage; Titles--Americans mostly ignore them; U.S.--Not having cards

-Running out of cards; cards not translated; bow in Asia; non descriptive business cards.

-Must know relative ranks--especially civilian/government pecking order.

-Print card two-sided with English on one side and host language on other side.

-Difficult to remember unusual titles first meeting in Japan; it can be difficult to convey true status via U.S. titles.

-The beginning and end of any meeting, all German participants will want to shake hands with all U.S. attenders; often U.S. representatives are insensitive to this; use of first names should be avoided until the German suggests it; note and use titles.

-None; I have been told that in Japan it is very important to read their business card and the more senior the person the longer you review his card.

-Confusing titles on the U.S. government side.

-Failing to understand the title and relative ranks.

-Titles are unknown or it is not known what a title means.

-Greetings--understanding the correct pronunciation of the name; Titles--sometimes unaware of status of "title"; Exchange of business cards--most foreigners have them, many U.S. government employees don't since government doesn't provide.

-None, if I've had time to do a little research. Unprepared sometimes have trouble with correctly pronouncing names and with remembering names. Also am tense until I know how people expect or want to be addressed.

-Not understanding how to address counterparts or seniors personally, i.e. use of first or last name and or whether to add a title or formality.

-Titles don't always convey the relative position and power--can be misleading. It's critical to research this before hand to know the real audience.

-Director in Europe is a high senior manager. V.P. is not recognized here, in U.S. everyone is a Director. Europe Doctor (not medicine) is master level (like MBA).

-Mental block on persons names.

-None. Make sure the cards are accurate and presentable.

-Egyptians often have long names, and one is never sure, from the written name, what to call them. They also tend to address people by their title and first name. Ex: Major Jim.

-Austrians shake hands constantly, use every title available, and exchange business cards religiously. To not do so seems impolite to them.

-Pecking order very important--Titles are a must and cards must not be better than what they have.

-Arab greetings initially.

-Because I predominantly do business in Korea, my business address is in English on the front and Hangul (Korean) on the back. On a recent business trip to Japan, I sensed, the Japanese business man I met did not appreciate the Korean information on the back of the card.

-In many countries titles are very important and not to use the title and to open greetings in the "familiar" without being invited is very poor form.

-I have no business cards because U.S. does not allow this expense and most foreign counterparts have them, give them, and expect one in return.

-Remembering names/titles--especially if they are different from U.S. equivalents. (Far East)

-Lack of understanding of rank/pecking order in foreign organization.

-Stick to a safe time-honored greeting--don't try to show off with something you heard on t.v. explain your title in layperson terms. Business cards remove any confusion of name spelling (thus, pronunciation), company, title, etc.

-Protocol; pronunciations.

-U.S. delegation members don't take these occasions as seriously as many of their foreign counterparts.

-Very few problems.

-Japanese tend to expect job titles to correspond to their own very standardized system. The multiplicity of titles in U.S. industry confuses them. Business cards should be bilingual (English and appropriate language).

-I am often not prepared to provide cards.

-Japan and Korea--carry sufficient quantity of business cards. Everyone you meet will want one. Accept and provide them gracefully and take time to read them. Never put them immediately in your pocket.

-Often times the Arabic names don't transfer to English very easily so names must be reviewed by the senior national representative (SNR) in the office and pronunciations must be practiced.

-Understanding pronunciation of names.

-Nothing outstanding.

-Business cards are an absolute waste of dollars and time. Be conservative in greeting and title. Let him set the pace.

-Pronunciation of names; understanding job titles (who works for who).

-You must definitely understand the different way to handle the exchange (of business cards) or a person can become very offended.

-Titles. Must try to get someone to indicate to you the equivalence to the U.S. system so you can figure out roughly how much influence the individual has. Military ranks are fairly easy in most cases but civilian titles less so. In my particular case getting the German civilian titles less so. In my particular case getting the German civilian titles both pronounced and understood versus U.S. equivalency was a problem.

-Greetings and titles are particularly difficult in France because of the lack of equivalent in U.S. in most cases.

-None but some fact sheets would be helpful.

-None, but I am fluent. However, often U.S. people have an urge to always translate titles, most of which are not translatable.

-Had a hard time sorting relative ranks.

-Business cards in English only; don't attempt a greeting in a foreign language unless you have tried it out on an interpreter first.

-U.S. personnel unfamiliar with using first name/title, i.e. Sir Peter vs Mr Peter Levene.

-Japan only: 1) U.S. handed business card upside down, 2) U.S. had no business cards, and 3) A Japanese business card must be treated with respect--don't leave it behind, read it, and put it in a safe place.

-None--I feel that you need to be yourself--be polite and courteous. They know you are a foreigner and understand your lack of familiarity with their ways.

-Several responses with "no problems" or "none."

**15. What problems, if any, have you encountered concerning differing business hours or international holidays?**

-Europeans generally start later in day, take longer lunches, but work later in the day. Americans are anxious to get started, blow thru lunch, and get anxious to be gone around 1630.

-Better know in advance what international holidays are--nothing gets done those days!

-Don't even try working on their holidays, it shows lack of respect.

-Once had to delay a negotiation for one week due to a U.S. holiday.

-Since I am permanent party in country we have conformed to the local schedule.

-None (Sometimes holidays cause schedule problems.)

-Long lunches, short days, August off (long vacations). Must plan for more days than "necessary" and understand periods when they won't be available.

-None, all of these are given equal value.

-France--Tired after long days (3-wine lunches, etc.)  
ALL--Getting U.S. government to understand the various countries holidays and what we could/could not do on those days.

-Europeans do not like extended work days.

-They are clearly different, but adjusting is possible and not too difficult.

-None because I am aware. However, others have scheduled plants visits without checking holidays. The people will see you but you will be the only people in the plant which defeats purpose of visit.

-We (U.S.) want to work longer days, start earlier (7:00 am), or work on foreign holidays to avoid being charged annual leave.

-In general, foreign holidays seemed sacred and we had to schedule around them. Hours--only in the context of catching transportation.

-Hours very "flexible", i.e. unreliable.

-Calling from home can become the norm. Delays getting information occasionally.

-German work days tend to have non-negotiable start and end times (esp. in the Government)--do not insist on working past 1630 or before 0830. Holidays--and, even more so, vacations--are more numerous and are sacred!

-Only a small window each day when you can call European counterpart. This can be overcome by extensive use of "fax" machines.

-We always seem to defer to foreign holidays, yet no one defers to ours. Guess we don't hold our holidays as important--cause U.S. team morale problems.

-Mostly that they seldom adapt to our holidays.

-None--once you understand them you work around them.

-Other than time differences, nothing serious.

-Europeans start later (0900), take long (2-3 hr.) meal breaks, and work later (1900).

-Refusal to work a holiday causes difficulty in scheduling interests.

-Rare y any problem. This can be worked around with planning.

-Jet lag is a bummer--I need at least 24 hours to function. I need three days before I feel comfortable with the time change. International Holidays--somewhat a problem in August due to this being the month U.K. and France go on holiday.

-May cause you to leave without fulfilling all goals.

-None as long as you don't schedule on them.

-Long lunch hours drive Americans wild. Two to three hours out of middle of tight schedule for "lunch" is frustrating. Europeans seem to have a million holidays. Especially Italians.

-Nil by avoiding them.

-Communication.

-Between foreign and U.S. holidays I never get one off!!

-None, once they were understood. Must factor into program planning, however.

-Slight to none.

-Shorter work days. Long holidays.

-None. It's best to accommodate the foreign nationals work schedule, if possible.

-Long lunch hours--Mid East, Latin America; Late Evening hours--Africa; Don't work eight hour day--Mid East, Latin America, Africa.

-Travel required on someone's holidays.

-Europeans take their time off, period. U.S. personnel have to adjust.

-Absolutely none!

-Our whole outlook on "Let's get it done today or no later than tomorrow"--"Time is money"--etc--who cares if it's Buddha's birthday.

-Ramadan, Haj--two long holidays which disrupt business in Saudi. Also, short hours (very little accomplished outside of 9-3 daily).

-Canadians are religious about summer shut down periods for manufacturing facilities.

-Just make sure you schedule accordingly and be flexible.

-Need to ensure negotiating schedule or meeting schedules consider international holidays. Counterparts may not show or all parties can be embarrassed at lack of sensitivity.

-Being a U.S. government activity, I find that I frequently must work my employees on U.S. holidays to support the contractor and I am not at liberty to give them the foreign holiday off.

-No problem, but concessions must be made by one or both parties.

-None. We would work or not work according to local customs. This was usually addressed at the government only meeting and seemed to place our best foot forward.

-Israel--while in Israel I worked their hours/days and took their holidays sometimes and U.S. holidays.

-Malaysia--The work timing is off as I start work earlier, eat earlier, and go home earlier. This causes many hours that counterparts can not get together sometimes taking U.S. holidays is disruptive to operations.

-Not much.

-Scheduling.

-Respect the hours and holidays of where you are. Don't impose your customs/culture on your hosts!

-Always show respect for their holidays, never suggest to work on a holiday, especially a religious one! Canada, UK, Egypt, Israel--ALL.

-Plan ahead, coordinate the calendar, plan for travel delays, arriving tired.

-U.S. should be knowledgeable of international holidays and avoid working on them.

-Cost day.

-I've heard U.S. delegation members state negative remarks concerning late start hours, length of lunch during international meetings. Seems to produce a negative bias.

-You go with the flow. Holidays are very important. I try not to set up meetings at times when I know there are holidays. Sometimes this can not be arranged. If the consensus of the foreign/international group is that we continue to conduct business during holiday we try to cut it short--If its negative, we take the day off and site see.

-None with planning.

-Many countries adhere strictly to local holidays. Without advance preparation a U.S. businessperson may waste several days waiting for business to reopen.

-You don't conduct business in France on holidays. Depending when they fall in the week, you may not be able to conduct them on days before--because people will make "long weekends" out of them. August is vacation month for everyone in France.

-You find out quickly what they prefer and deal on their schedule. Like, don't make any trips on their holidays.

-Limited work output during religious holidays.

-We normally schedule around known holidays.

-No significant problems, work arounds can usually be found. Sometimes Ramadan, which lasts for an entire month, can tend to make business a little slow.

-None. You need to be a little more flexible.

-No problems of consequence.

-Failure to meet U.S. suspense dates due to long holidays.



-None if you know and understand them before hand.

-Have to adjust to later start time in A.M.; longer, more formal lunch; often early stop date in afternoon; long coffee/tea breaks.

-Dealing with the Asian countries has been a problem due to the time difference. Most of my correspondence is sent via fax.

-Greeks wanted Americans to recognize Greek holidays while in Greece. In other words, no work.

-I had a proposal within the IPO which was located at Eglin AFB that we should take all the holidays of all the participants. My response was that we would take U.S. holidays and that others could take national holidays if workload permitted (i.e. prior coordination with the immediate supervisor). Generally I found later starting times, and longer lunches in Europe vs in the US.

-Summer month's in Europe are almost impossible to schedule around due to long vacation plans.

-None--As doing business in this country you know that your counterpart either wants to work until the issue is resolved or not.

-None. We schedule around them.

-Must adjust and be patient.

-1) Know their holidays and plan accordingly; 2) Plan to work in the evenings in Japan. Save your sightseeing for days off, or allow them to take you to their version of Japan.

-None. Where ever meeting was held we observed respective holidays, workhours, customs.

-Things move slowly in some countries.

-Minor inconvenience since customer recognized U.S. holidays as well as there own. There were times when program activities came to a stand-still.

-Just getting use to them.

-Coffee/tea breaks in UK are sacrosanct mornings and afternoon, as are extended lunch breaks when foreign visitors are being entertained.

-None--but you need to respect their holidays.

-Generally Saudis only work till mid afternoon, then resume in evening; Europeans often don't start till 9a.m.-- frequent holidays.

-Frustration with slow progress. Once again, not clearly thinking thru which each nation's real goals are.

-Scheduling in general. Problems with hours only encountered with interpreters at NATO who do not work late.

-None--you follow their customs.

-Difficult to establish meeting dates with the different holidays. For industry to respond to a RFP the month of August is out because of holiday.

-Constant problems--travel on holidays/work on holiday/no one there, etc.

-None, easy to conform.

-Telephone communications between west coast U.S.A. and Europe.

-Several responses with "no problems" or "none."

**16. What problems, if any, have you encountered while entertaining or being entertained by your international counterpart?**

-Good old U.S. Government Taboo about accepting gratuities! You actually offend/embarrass your host!

-U.S. gratuity/standards of contact rules/regulations are a crucial constraint. DOI does not fund "representational" activity, but other governments do. A revision of S.O.C. rules/procedures is needed-not to avoid the subject, but to put better procedures into place.

-The European government/business "code of conduct" isn't as restrictive as ours.

-1. Our system of rules says we shouldn't be entertained or taken to dinner. But this is a normal practice in most parts of the world. "When in Rome, do as the Romans do."

2. When foreigners visit us in the U.S., we're too busy to socialize or even greet them at airport or hotel. That's a shame.

-Scale of entertainment: theirs is almost always more lavish (i.e., expensive) both government and industry.

-European governments allow employees to offer and partake of gratuities (gifts, meals) unlike the U.S. Can cause U.S. participation to seem stilted.

-They always do it well! We should provide gifts. We do not reciprocate well--funds are a problem for this in U.S.

-Cost especially in Japan; Extent but you can control this especially the unmentionable entertainment.

-Having "no shows" who've said they would attend which changes ratios resulting in my paying out of pocket vice representational funds.

-Social customs; dysentery.

-The low status of women in the far east causes some entertainment difficulties when I visit there. Few after-dinner entertainments available for women.

-Be aware that German "dress code" for social gatherings is more conservative than US, e.g., casual suit unless otherwise specified; for women, no jeans/cords and if slacks only elegant slacks. Business meals used to be a problem (judged to be gratuities), but no longer. Gifts, especially at Christmas-time, are still a problem, and it's often embarrassing to have to return items deemed inappropriate (by pennies!) by standards of conduct officials.

-The U.S. restrictions on receiving gifts of "value"....even a cup of coffee or a danish.

-Sometimes you just don't feel like "going out." It is acceptable if your a small part of a large delegation. It is never acceptable if you are head of delegation. Some delegations have people that like to have a beer until very late, it is difficult to find U.S. delegates that can put in those hours. You need to handle you departure delicately.

-From U.S. government entertainment comes out of our own pockets posing a financial burden and not allowing us to do something in a classy way.

-None. Some senior U.S. types (Flag/Gen/SES or higher) tend toward being "self aggrandizing twits.

-Drunkenness by a team member.

-The U.S. law makes it extremely difficult to reciprocate the hospitality that is usually afforded the U.S. team.

-Imperative that you retain sobriety.

-Getting funds to reciprocate for dinners/receptions held by foreigners for U.S. Funds are only available for SEC AF or CC or CV.

-They are generous hosts and we have no funds to reciprocate.

-U.S. government inability to reciprocate.

-Embarrassing my international counterparts when they provide lunch or dinner and U.S. personnel give them money for the food. Also I am embarrassed that I have to ask them for money, when they come to the U.S., to cover lunch or dinner at a restaurant. I don't have an expense account.

-Not knowing how to eat large pieces of food without a knife; being asked to go first, when I preferred to wait and watch how the other ate certain dishes, (i.e., what sauce to use, whether or not to use hands, etc.)

-Keeping social conversation going and delaying the business discussion/related topics to near the end of meals.

-None--but I've been at it a while.

-I got laughed out of a fairly seniors meeting in Australia for ordering Ice Tea at lunch. Simply could not come close to handling the aMOUnT of booze they were drinking, not lunch anyway.

-Whether to invite spouses or not.

-Water in India.

-Foreign entertaining in done on a grand scale and we are unable to reciprocate, make DOD look like country bumpkins.

-Being able to reciprocate in kind when U.S. hosts.

-None. It is customary in most cultures to bring a small gift when invited to your counterparts home...

-Must be careful in choice of menu. Ex: No pork for Moslems.

-Third World--they are gracious, generous and we have no official funds for.

-Austria--Entertainment should be first class! Procedures for proposing a "toast" are different (no real problem).

-Is mostly phoney--they usually take us to "American caterisi" because they are tired of hearing "yuk, what's this crap."

-None!--must know and adapt to cultural differences.

-U.S. conflict of interest rules prohibit this activity.

-Remembering 30-30 and turning down offers for meals, etc. graciously.

-My biggest problem is finding ways to gracefully decline entertainment. Although I continually remind my international counterparts that I am not permitted to accept entertainment, they continue to make the offer, as it is the custom in their country.

-Too much drink loosened an "anti-U.S. government" tirade by an Arab guest....in Saudi Arabia. Was amicably settled.

Sexist remarks, inadvertent--caused by "Western cinema influence" amicably settled.

-None. Helps to be willing to taste anything regardless of how it looks, smells, moves, etc. Then smile and maybe try it again like it or not.

-None personally, but an important member of one of our teams became inebriated and then loud and boisterous. The next day the foreign team would not address any issues the individual raised nor respond to him.

-Trying to pay my part of the bill without insulting the host due to U.S. government standard of conduct; serving food that would not be against their laws; eating or drinking uncommon food or drinks.

-Conversational barriers caused by language differences. (Far East)

-The inability of the U.S. to respond (treat to a meal) when allies visit US.

-Personally, none because of extensive experience. However, more Americans are totally unaware of differing cultures, and particularly religious restrictions or taboos. Result is usually serious embarrassment or worse.

-They want to pay all the time--Egypt

Do not serve pork to Israelis or Arabs. They always asked about the meats.

-Very few, I did decline hired female company, politely!

-We can't do this important element of the international interchange justice due to lack of recognition (and funds) of its importance.

-I cannot reciprocate with an equal share of entertainment, showing my guest what I believe to be repayment for the hospitality received in the host's country. Many times I've spent out of my own pocket and it's still not enough. It's a part of doing business that our government/congress wish to ignore.

-None. Learn customs ahead.

-Food and entertainment preferences hard to predict. Guests are generally not vocal about preferences so you never know if they are happy.

-U.S. government expects to pay for meals, etc. France does not expect that. Lunch is part of doing business and are insulted if you ask to pay. Vice-versa, it is embarrassing to ask French government officials to pay for lunch when they visit U.S. labs, etc.

-Insufficient funds to properly host visitors. We are doing a better job now, but we are still outdone by our allies in most cases. We have a greater concern for placing entertainment separate from business.

-While entertaining with Japanese; as host, I was expected to leave early so that everybody (the workers) also then could socialize.

-The Egyptians are very friendly people and have a great sense of humor.

-Knowing how to dress.

-Too much wine, liquor, etc. on U.S. part mostly leads to embarrassing situations.

-None if you understand "do's" and "don'ts" possible embarrassment problems if counterpart can't financially reciprocate your entertainment.

-Their governments provide funding for rather elaborate lunches, dinners; U.S. DOD person can't match unless uses his/her own personal funds. Trying to find common interest item for social small talk.

-The Oriental counterpart have the tendency to bring women into the entertainment.

-The problem I saw was that during international meetings the non U.S. governments viewed hosted lunches as part of the meeting and often they were quite lavish. In the U.S. it was hard to get any funding to do this at all and we didn't hold a candle to them in terms of quality.

-Several responses with "no problems" or "none."

-None--most "hosts" want to show you his world just as you would in the U.S.--Personal tastes, etc. should be recognized always.

-None, most often they have more liberty (and funds) entertain us "in style" than we do. Due to lack of representative funds, we often fund entertaining out of our own pockets.

-Turkey & Saudi--Let them take the lead on exactly how informal the proceedings will be.

-None. (There is the potential of too much alcohol consumption! By one or the other member of international team.)

-U.S. members were not well versed in the customer's culture/practices/customs.

-With all countries--trying to get more information/data than I was allowed to release.

-None. However, don't compete on entertainment.

-The U.S. is cheap and the members of the U.S. team had to pay a good deal out of their own pockets.

-Being female, the French never let me pay. I have gotten around this by entertaining them at home.

-They feed you too much and expect you to indulge moderately in alcohol.

-Many times gifts are offered by foreign counterparts. Most have become aware that we with the U.S. government cannot accept much for ourselves, or on behalf of our government, without causing complications.

-None as long as I've taken the time to understand cultural differences, e.g. role/responsibilities of women in Saudi Arabia.

-None. It was always a rewarding experience.

-Foreign business and government routinely entertain as normal course of business. U.S. government people have rules about participation that insult foreign hosts and make us look like we are untrustworthy. Europeans don't understand why all U.S. employees are treated like thieves and criminals. Getting U.S. support--and money--for a "common courtesy" to the Europeans is too hard. Causes embarrassment for us as U.S. hosts.

17. Identify, by country, any problems which you believe occurred because of cultural difference during your international business transactions (negotiations, management, etc.). If none, enter "non" and skip to question #3.

-This is too hard for me to answer in limited time. Sorry.

-Japan: Refuse to make decisions at a meeting. Must get approval from higher authorities.

-None (if you understand the differences).

-I have found that sometimes smaller countries (Spain, Turkey, Greece and even France) will ask annoying questions or deliberately drag things out in an international forum. I believe this is the international posturing equivalent of the "little man trying to act big" syndrome.

-Japanese government (military/civilian) relationship with (also Academia)  
How to control U.S. classified and U.S. industry proprietary data from Japanese industry.

-There were always difficulties which somehow we managed. "Problems" were rarer.

-Again remember my level of expertise

1. Japan & Asia in general--it is common to have women offered to you during Course of entertainment.  
2. All foreigners use U.S. desire for quick action against them. U.S. tend to not be patient and give away "the store."

3. Europe (France, Spain, Italy) try to win you over thru fancy dining and drinking.

-Spain--very slow in contracting

-None--of significant magnitude. Germans are used to us!



-Some international operations between businesses and governments, involve "gratuities" as the normal, accepted way of doing business....Americans are much too naive.

-French have a staffing problem due to tight centralization of authority to negotiate and conclude. They always take extra time to size.

-Dealing with U.K.--We are separated by a common language and you can easily miss the point being made.

-French would smoke like crazy, now days they refrain. U.K. personnel are thrifty (cheap)--they are happy at places where it is very inexpensive. Above cultural difference had only a minor impact.

-Social difference

-Spain--unwillingness to admit they didn't fully understand and our inability to read the non-verbals to that effect. Southern Europe--desire to strike deals on broader principles and not sit tangled-up in the detail.

-I have had "problems" in every country, but most could be overcome by being honest, straight forward, and asking for help.

-None. Because I did my homework on my own at my own expense, to make sure I didn't insult/offend anyone.

-Turkey: Country customers often demand instant results and fail to plan for long-term ("instant" solutions have created more pervasive long-term impacts which generated a new set of demands for "instant solutions").

-Time--it takes longer.

-Kept waiting--Mid East, Africa, Latin America; Interruptions--Mid East

-It happens every day--in every country--one or more "ugly Americans" does something, sometimes unconsciously, to hinder relations with one or more of the people we do business with.

-All worked through.

-On contract in Saudi Arabia, we had problems gaining access to "books" of subcontractors. This was necessary to assess reasonableness, allowability, and allocability contract. It seems that some of the first or second tier subcontractors had ties with senior Saudi Arabian officials and access to their "books" is not routinely granted.

-Misunderstanding of the purpose of controls and signatory authorities--the purposes are for management control and audit purposes--some countries construe them to imply mistrust.

-American impatience with Saudi Arabian pace and "tea practice" before meetings.

-None that were earth shaking and weren't worked out except during base interoperability issues one negotiator was giving away all our bargaining chips just to be a "good guy" and this is as detrimental as the opposite, as well as weakening the U.S. government position.

-Israel: some of our team members refused to eat what our host ordered as they came from a midwest state on a source selection survey. One U.S. government visitor was persistent to have milk in his coffee after eating meat for lunch and this was not allowed or taken kindly by host country contractor.

-1) Numerous good potential Cooperative R&D efforts with France have slipped by because "Washington" has a "NIH" attitude.

2) Compared to France, the U.S. has a lot to learn about protocol and hospitality.

-1) Take the DSMC International Negotiating Course workshop at Fort Belvoir 2) Read Mike Farr's research of publications, etc.

3) Talk to General Ron Yates, or General Mike Loh, or General Tom Ferguson.

-Managing alcohol during business lunches, evening meals, and socials.

-a) Japan--lack of patience and long term relationship building on part of U.S. arrogance on part of Japanese.

b) Israel--overly blunt and lacking in tact (Israelis). Demanding to the point of rudeness.

c) Saudi Arabia and Kuwait--they insist on being treated as royalty.

-Senior officials should practice restraint and remain in control of emotions. An emotional outburst affects not only the present meeting, but also future meeting as well.

-The main problem is that the Egyptian Air Force does not get the same financial priority as the U.S. Air Force when it comes to budgeting and this tends to cause significant delays in the decision-making process.

-Tendency for international member to keep pressing for "yes" answer when the answer should be "no" (Expecting the U.S.G. to "give" on a point, but not wanting to give on areas critical to their interest.) Then, bringing up same point again and again.

-Covered in other responses.

-Several responses with "no problems" or "none."

-It is O.K. for your foreign government counterpart to mix personal and government financial goals. You need guidance from in country U.S. representatives to know the limits of this mix.

-Since I've always been sensitive to foreign cultural differences, I've never had a problem.

-European government representatives generally favor certain of their national businesses.

-Minor breach of protocol regarding government-industry communications. Few, if any, countries are as open as the U.S.

-Don't tell a joke about another country while working with foreign representatives; when giving gifts have enough to go around or give them in a smaller meeting; take the time to listen to the question--don't just jump in with an answer--speak slowly; don't criticize a country's technical status.

-In France, language is certainly a barrier. If the U.S. wants to succeed in France, French language courses and an understanding of the French political and cultural scene will enhance prospects for success.

18. For each factor identified in question #1, please indicate any solutions that were effectively employed for coping with the problem (or a solution that you believe would have solved the problem).

-This is too hard for me to answer in limited time. Sorry.

-None yet.

-Training and, especially, exposure.

-Personal attention to each foreign delegate if possible. Solicit opinions in person during lunch, dinner, breaks, etc. A little positive attention makes everyone feel good.

-U.S. does not have an industrial policy--most other nations do. So U.S. does not deal with this very well. On a case by case basis a controlling relationship may be worked out. I don't really think that this effort was 100% successful.

-1. Remember they are trying to find out about you, just tell them no.

2. For major negotiations, I always allowed at least two days separated by at least one week. Also be willing to walk away.

3. Restricted by direct request amount of such.

-Government-to-Government liaison by Spanish speaking officer.

-Keeping our lawyers out of their business activities.

-Looks like we have to live with the long coordination/approval time for France.

-Listen very carefully and use frequent feedback.

-Explained to French about non-smoking coordinated restaurants with British in advance.

-How about a real good guide book.

-Spain--Periodic questions which solicit feedback which either confirms they understood or creates doubts as to them understanding--recover that point.

-Study the culture, language as people--personal interest in people helps.

-Train people in language and customs where they are going to mostly work.

-Explain to the customer what the full process is to solve their problem, including the interdependencies. Develop and explain a plan to solve the issue, and execute it. After a while the contacts trust your judgement and relax (somewhat) once you produce results.

-Specify deadlines and explain why.

-Be flexible, don't look down on, don't be superior, be sincere, etc.

-Country customs training before we send the people. Careful screening of the personnel we assign for long periods of time.

-There is no substitute for awareness training before entering countries where significant cultural differences exist.

-Patience, improving communications, teach and learn by example.

-In the first case people were better informed by the in country CAS team when possible as to what was expected to happen. In the second case same as first plus better screening of people to come or visits and individual involved not allowed to make return visit.

-1) In rare instances, support from laboratory or industry experts has helped reverse decisions.

2) U.S. is getting better, usually as a result of reciprocal visits.

-All three might be mitigated by better understanding of cultural origins. Some problems are based on basic differences of opinion (for example, the belief by Japanese that they are inherently technically superior to West).

-Patience! And constant diplomatic reminders when waiting on responses.

-No real solution--U.S. person just has to be prepared for this and stand ground.

-Language lessons; read up a bit on French history and develop an appreciation for France's independent approach in international arena and emphasis on national sovereignty.

-Use common sense; do your homework--know how many foreign representatives will be attending--always have a few extra gifts handy.

-If in doubt, ask your interpreter--hear people out--speak slowly when responding--use simple words on charts; talk in terms of technical requirements.

-Prompt action to reassure the persons involved.

-In country briefings are necessary. It seems to differ from country to country on who gives such briefings (CIA, MAG, TAFT, OSI, etc.)

19. Have you taken any international training Courses? If so, what was the source of the training?

-Yes; British procurement executive foundation Course;  
Seminar on International Armaments Cooperation

-DISAM, DSMC, FSI

-Yes. DSMC and the EurcNato Weapons Course.

-Yes. DSMC.

-Reading and travel and frequent international business meetings.

-Yes. DSMC International Management Course.

-I have not. I would be interested in knowing the availability of such training.

-DSMC--20 week Course

DSMC--Multinational Program Management Course

DSMC--Advanced Multinational Management workshop

-Management of International Programs; Cross Cultural Communications; Introduction to East Asia: China, Japan, Korea; Multinational Program Management Seminar; NATO/ERO Training: Weapon Systems Management Course; Multinational Program Management Seminar; Congress and Trade Policy; Security Assistance Management Executive; Foreign Policy & National Security Issues;; Multinational Program Management.

-Multi-national Program Management and Advanced International Management--DSMC  
International Logistics--ALMC

-No.

-Yes. World Trade Center in New York.

-Yes--DISAM and DSMC (2--MPMC & AIMW)

-DSMC--Both International Courses

-DSMC

-Yes--government source..

-22 years of Naval Service around the world. DLI--9 mos.,  
DISAM--3 wks, DSMC International/Neg Course--1 wk

-Yes, DISAM

-Yes. Defense Systems Management College.

-Yes--DSMC

-Yes, DSMC--AIMW (teacher)

-Navy War College

-DSMC

-Yes. DSMC

-DSMC

-DSMC Advanced MOU Course

-DSMC: International Negotiations Seminar (after the fact)

-Living abroad and reading about a country history and development. Short three-day/one week familiarization are better than nothing but not enough.

-Corporate library has good video tapes. College studies-German, Latin, Russian

-No

-No

-Bought books and took language classes on my own

-Yes. DSMC

-Yes. M.A.C. Course at Eglin AFB, FL.

-No

-Cross cultural communication

-Cross cultural communication Course at Air Force Special Operations School, Hurlburt AFB, FL

-DSMC, DISAM

-M.A. (West Europe Studies) Indiana University; German Course--DLI; Foreign Area Officer Course--US Army; DISAM Overseas Course

-WPAFB, Central Michigan University, Hurlburt field, Defense Systems Management College.

-No formal training

-Yes. USAF Korean indoctrination--it was 40 hours scratched the surface, but was better than the nothing for other countries.

-Middle East TAFT (Preparation for Saudi Arabia assignment); DISAM (Executive Course in Security Assistance and FMS).

-No

-Yes. The language school of Monterey (Tapes)

-None

-DISAM

-Self-study language training (Head Start)

-No.

-No.

-Cross Cultural Communication--Eglin AFB; Advance International Studies--DSMC

-DSMC & DISAM

-DSMC

-DSMC International Negotiations; International Law; Xerox Company; Harvard University; American Food Service (AFS) high school program.

-Only DSMC's Multi-national Program Management Course

-No

-No

-Language/culture--Defense Language Institute; International Negotiations Seminar--DSMC

-Cross cultural communication; International negotiations

-No. Lots of reading in library.

-M.A. in International Affairs at local university

-No

-DSMC--International Course and PMC--only thing that exists, except for language training.



-Yes. Formal lectures; limited training provided through International Program Management Course (DSMC).

-No

-Middle East training

-Yes. Middle East Orientation. Hurlburt Field.

-Yes, Middle East Orientation Course

-Middle East Orientation Course at Hurlburt Field, FL.

-No

-Yes, DOD mostly USAF schools.

-DISAM Overseas Course; South East Asia Orientation Course--  
-USAF special operations school; Multinational Program Management Course--Defense Systems Management College.

-Do you mean training which includes both U.S. and international or training for training internationals or training by internationals?

-Yes. DISAM, USAFSOS

-None. I requested a Japanese cultural Course at Sinclair but was turned down by my supervisor.

-None taken

-13 years of travel and my personal desire to find out.

-No

-Yes, DSMC Multinational Program Management Course

-Yes, USAFE and OSI

-Limited Arabic language training; local arabic course; French and German language.

-Company sponsored language courses; company sponsored seminars on contracting to U.S. DoD.

-Numerous cultural, programmatic training courses.

-Yes. DSMC--which does provide some degree of focus on the cultural aspects of international business.

-No.

-No.

-DSMC, College, Peace Corps, cross-cultural.

-Yes, DSMC

-No, however, born in France, educated in GE, fluent in the two languages, I never had any problem with European dealings.

-No.

-DISAM.

-No, school of hard knocks.

-Yes, DSMC.

-Royal College of Military Science; DSMC

-No.

-No.

-Yes, DSMC.

-No.

-No.

-No.

-DISAM and DSMC (Advanced International Management Workshop)

-Training was initially received at the Ft Lee (Army) course on International Logistics Management. I'm scheduled into the Hurlburt Field "Cross Cultural Communications Course."

-No.

-Language (47 weeks-Japanese); Staff College (50 weeks-Tokyo).

-No.

-British MOD--Management of International Programs while living in London; DSMC.

-Yes, DSMC.

-No formal courses other than language.

-Yes, DSMC.

-Multinational Program Management Course -- DSMC.

20. What topics are most important in international training?

-Language.

-Culture, language differences, government structure, role of law, business practices, government decision processes.

-Culture; business/management practices; negotiating techniques.

-But exposure is even more critical (it's different than books).

-U.S. law policy; negotiation strategy; history of recent negotiations.

-Cultural differences; pace of business; good listener; knowledge of host's real "goals and objectives."

-Learning a second language or even a third  
Exposure to cultural differences and social differences,  
and recommendations on how to deal with the impacts  
Exposure to various business practices, laws, etc.

-Culture, language, realization that many, if not most, negotiations will take a lot longer and be more difficult than U.S. only negotiations.

-Language, law, customs.

-Depends, of Course, on what you are doing. 1. National Acquisition/Program Management 2. Cultural Sensitivity 3. National Negotiation.

-Differences in approach by different services.

-Sticky points in previous MOU's/contracts/negotiations; overall business strategy; potential Quid-pro-quos.

-Proper manners and courtesy; how to prepare for international negotiations.

-Awareness of need to understand at least basic cultural differences; language training; U.S. organization and responsibilities, so you know who CONUS "experts" are.

-Negotiation skills; patience!; cultural issues; government operations; business operations; government to business relationships.

-Understanding of the financial situation of your counterpart; having some concept of what a negotiation is all about; knowing how your program relates to other on going negotiations with that country.

-culture, business practices, law.

-How business is done in Germany for example work Ethics, family orientation, vacation orientation.

-Culture, expectations socially, working knowledge of a language.

-Culture and customs as it applies to negotiations politics.

-Negotiation skills.

-Culture; organizational structure; laws and regs; government-business relationship.

-Negotiating; business/government differences.

-Government process; contracting; finance; foreign business environment.

-All discussed in this paper plus negotiation of MOUs and understanding impacts of sections of MOUs.

-You must know the customary business etiquette and be aware of U.S. habits which alienate your contact.

-Customs, social taboos, tipping, etc.

-Living abroad and reading about a country history and development. Short three-day/one week familiarization are better than nothing but not enough.

-Commercial systems; ethical structure, cultural structures.

-Customs, religion, cultural highlights and political system.

-Culture, language and technical expertise.

-Legal and technical transfer restrictions; understanding the corporate or government review and coordination process.

-Cultural awareness, business practices, government/industry relationships, current/long-standing political or policy issues, particular U.S. Government initiatives with your country, defense establishment and organization, defense priorities/initiatives.

-Cultural differences.

-Indepth training/experience in the norms, morals, religion, politics, business, economy, ethics and culture. One must know more about the internal workings of the foreign country than the foreign nationals themselves.

-Generic topics in Country/Culture/Customs as well as regional specifics.

-Language; Cross-cultural Communications; European Business Practices; DISAM Courses (International Sales).

-Negotiating, Cross Cultural Communications.

- Business practices and local customs are most important; Why people think the way they do.

-Customs, history.

-Cultural differences to facilitate acceptance and communication.

-Cultural sensitivity, survival language familiarity.

-Culture, customs, laws (general).

-Minimum--culture and customs.

-Although it is possible to function, training will certainly enhance one's effectiveness. Language foremost culture secondarily.

-The topics stated in this questionnaire!

-Local customs, laws, religion, social do's and don'ts, language, history, politics.

-Social customs, religion customs, financial status, holiday meanings, language, position status.

-Perspective and intent of U.S. policy.

- Same as prime: do's and don'ts in business.
- Language, some history (as it affects current attitudes), customs, government/business structure.
- Culture, culture, culture! Monetary system.
- Economics, culture, history, language, art.
- The specifics about his/her particular job (i.e. negotiations, law, management, Test&Evaluation...)
- Institutions of the foreign country.
- Culture/social interactions.
- Culture specific business practices/norms.
- Cross cultural communications; If involved in negotiations, an International Negotiations Course.
- Culture; why things are phrased in a certain way; authority to negotiate.
- International law and finance; Business culture; basic cultural differences and impact on ethics and decision making.
- Culturally based studies of a nation's social system, values, attitudes, etc.
- Language; culture; customs; technology; government; industry RDA process.
- Because of heavy bureaucracy involved in international programs, understanding U.S. and allied government organizations as well as administrative procedures in initiating differing types of international programs, i.e., NUNN coop R&D, DEA/IEA's, S&E exch, etc.
- The way they conduct business and how they socialize.
- Two important reasons: 1) Introduction into customs so that no social "mistakes" are made. 2) Better understanding of the customers environment in dealing with business problems.
- Culture, business practices, religion.
- Cultural, political and religious differences.
- Primarily if the training covers culture and customs of the country you are working with.

- Understanding and accepting cultural differences.  
Awareness of other country's perceptions of U.S. culture.
- Historical references, records on subject area to be addressed, i.e., know what went on before acting, agenda topics and previous results/commitments.
- Cultural, language, negotiating skills.
- Culture, history, politics, U.S. foreign policy, military structure/OOB.
- Regional orientation, and country--specific information; cross cultural do's and don'ts.
- Cultural differences.
- Customs and courtesies.
- Culture; government management at defense R&DTE and production; government contracting practices.
- Language above all; cultural practices.
- International procurement practices (NATO standards included); language and customs.
- Cultural knowledge (including history); political/business structure (taxes, trade, etc.).
- Language; technical capabilities; sovereign nature of country.
- I believe training is always important--Cultural training would be helpful.
- An appreciation that other people's cultures have merit and value--I feel OJT is best source of training; not classroom only.
- Culture; thinking processes; their management techniques and organization.
- Customs and language.
- U.S. laws related to foreign military sales; special regulatory procedures related to FMS; customer's culture/customs.
- Differences in fiscal year; differences in how programs are costed, move thru system.

-Cultural; language; religion; politics; education; values and attitudes; law; and social.

-Understanding other member's motivations.

-Cultural awareness (attitude, mentality), a little language is great.

-Contractual process.

-Techniques in managing negotiation sessions. Legal limits on authority to negotiate.

-History of U.S. international programs. Current policies and procedures for Security Assistance Programs; Foreign cultures.

-Religion; business practices; social values.

-Appreciation of language and culture.

-How to conduct negotiations; customs.

-Strong fundamentals in financial management, contracts. Understand other countries' budget process, requirements process.

**21. Please provide any other comments related to international transactions that you believe are important and have not been addressed.**

-To succeed overseas, both government and industry must invest in the program. Put people overseas. Train them, and leave them in position to establish and retain credibility.

-It really is wrong to generalize here-France, Germany, Japan, China, U.K., etc. really have very different cultures and practices!!

-I believe the U.S. must begin to really support multinational activities if we are to compete after EC '92. Our track record of starting and subsequently stopping international programs is terrible and often for reasons not understood in Europe. Examples: MBT-70, ROLAND, APM, etc. The only really successful programs are like the F-16 where U.S. technology is sold to Europe and they don't participate in creation of a weapon, etc.

-Except for the coordinator's of agreements in OSD, the U.S. does not attempt (as far as I can see) to maintain any long-term corporate staff who can specialize in



international negotiations. As soon as someone is trained, or participates, then they are gone. I also think that these trained negotiators cannot only be civilian, there is a significant role for the trained military.

- "Good questions" sure would like to see results.

- The training of U.S. government employees in this area is abysmal! (However, improving gradually)

- See my speech delivered to NAPM Annual Conference in San Francisco in May 91.

- The Sec. Assistance & International Programs community in OSD must quit viewing each other as threats and realize we have a common mission. Don't apply FMS rules to reciprocal programs!

- Honesty; Call a spade, a spade; perception that you are prepared and confident.

- In the absence of sufficient training for U.S. Government personnel involved in international transactions, I would strongly recommend that negotiators be instructed to obtain the advice, if not the active participation, of in-country personnel--ODC's, Stan Group, AFRDLOs, DAO's, etc. This is not SOP today, and since I believe that sufficient training will not be available in the near future, I believe it should be.

- There has to be a clear understanding of each person's role in the negotiation.

- Cooperation is sharing. Technology Transfer combined with "not invented here in the US" create inequality. Openness, honesty, sincerity, free-competition, quality of product, reliability.

- U.S. needs to learn about its own process and policies first--then learn something about the same of allies.

- You need to try to understand the environment that the foreign government/manager/or business man must work in and what it takes for him to be successful.

- A video tape should be available which highlights important factors concerning international negotiations. The Advanced International Management workshop should be mandatory for someone getting ready to write/or negotiate an international MOU.

- Politics trade barriers--i.e.--customs; Transportation difficulties; International financial tools.

-The most significant aspect of international transactions is the understanding of the other persons' aspirations and customs/social morals.

-You should be trained to work in a culture (on the job) a year before you actually do the work. It is unreasonable to expect a 32 year old Capt/Maj to go head to head with a 55 year opponent with 35 years of experience and hold his own, much less win. We need to make long term investments in our people in order to get good results.

-In my opinion it takes about six months to gain an understanding of how businesses operate, what constraints are approved by government laws and practices. Wish you the best with your study efforts.

-We have proven that we can "throw enough money" to buy most products, most places. However, when the money runs out, it's "yankees go home!!!"

-None--very thorough survey!

-American behavioral pattern (less macho/more attentive).

-In my case as a USAF representative stationed in Malaysia, I found it important to know even the in-depth what the local people feel about us Americans since we must live in the local country since there is no military base in country. We lead pretty much a "Malaysian" life.

-It is very important for big U.S. business or U.S. government to have in country people from U.S. who live in the country in the country long enough to learn some culture to assist other U.S. teams while visiting the country on a short term basis. However, people should not stay in country too long or they may lose their U.S. cultures abilities.

-Probity and thoroughness are vital!

-The biggest single problem is that the U.S. has always been independent. We have never been required to cooperate. We're usually the seller, seldom the buyer. All this is changing and we won't (or can't) admit it. Plus, we don't know what to do when we do admit it. Europe has always had to cooperate and they're pros. The U.S. needs a major change of attitude vis-a-vis international business. Industry seems to realize this but is impeded by government (tech transfer, data disclosure, etc.)

-Since my work is primarily that of a teacher/researcher focusing on security assistance, my responses above are limited. Good luck with your survey.

-The best advice is to know your customer and some of the problems they face with their hierarchy. It will help in the planning of your program.

-Do your homework; don't go in cold; Know the players on both sides. Talk/socialize if possible before hand; use intermediaries in particularly for identifying the real problems or obstructions.

-Americans, especially those representing the United States Government must respect another country's government regardless of how disorganized or behind our government it may appear.

-US folks operating in the international cooperative realm need to be sure they understand the various national approval processes of the participants. In MSOW when we finally got this on the table we found a potential delay of four months to award a contract since one participant's approval and funding availability cycle was significantly longer than any of the others. We solved this by getting the other participants to front load funding and then get "paid back" later by heavier funding by this one participant when his money was available. Need to work hard on banking arrangements. If it is market basket need to have a primebank hired on to handle things.

-Social contacts are difficult to establish in foreign climates. But where they are established the spouse's role is often extremely important--especially in Europe not in Japan or Saudi Arabia.

-The most important--and most difficult--thing for the average American with little experience of travel outside the U.S., is awareness of other nation's cultural and technical capabilities. The term "not invented here" must have originated in the U.S.

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The purpose of this questionnaire is to determine the potential for current and future applications of AFIT thesis research. Please return completed questionnaires to: AFIT/LSC, Wright-Patterson AFB OH 45433-6583.

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2. Do you believe this research topic is significant enough that it would have been researched (or contracted) by your organization or another agency if AFIT had not researched it?

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3. The benefits of AFIT research can often be expressed by the equivalent value that your agency received by virtue of AFIT performing the research. Please estimate what this research would have cost in terms of manpower and/or dollars if it had been accomplished under contract or if it had been done in-house.

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