

DOCUMENT RESUME

ED 235 531

CS 504 377

AUTHOR Rankis, Olaf E.; Biggers, Thompson J.
 TITLE Interpersonal Perception in International Business
 Negotiations: An Up-Date.
 PUB DATE [82]
 NOTE 39p.
 PUB TYPE Reports - Research/Technical (143)

EDRS PRICE MF01/PC02 Plus Postage.
 DESCRIPTORS Administrators; *Arbitration; Communication Research;
 *Communication Skills; *Cross Cultural Studies;
 *Cultural Differences; *Intercultural Communication;
 International Studies; *Social Cognition

ABSTRACT

To determine the perceived intercultural communication problems arising during three meetings of North American, Latin American, and Caribbean businessmen, business professionals were asked to assess their international counterparts in terms of (1) source credibility, (2) locus of control, (3) competitive posture, (4) communication certainty, (5) decision making flexibility, (6) differences in conducting meetings, (7) attribution of blame, (8) perceived understanding, (9) apprehension, and (10) differences in nonverbal behavior. Results suggested that differences in communication behavior (that are not mutually recognized) negatively affected the negotiations between the executives. In addition, both Latin American and Caribbean business professionals consistently saw the North American participants as "controlling" and "dominant," and as representing businesses that were "more equal" than the others. (Survey instruments and findings are appended.) (MM)

 * Reproductions supplied by EDRS are the best that can be made *
 * from the original document. *

U.S. DEPARTMENT OF EDUCATION
NATIONAL INSTITUTE OF EDUCATION
EDUCATIONAL RESOURCES INFORMATION
CENTER (ERIC)

This document has been reproduced as
received from the person or organization
originating it.

Minor changes have been made to improve
reproduction quality.

Points of view or opinions stated in this docu-
ment do not necessarily represent official NIE
position or policy.

ED235531

INTERPERSONAL PERCEPTION IN INTERNATIONAL BUSINESS

NEGOTIATIONS: AN UP-DATE

OLAF E. RANKIS

THOMPSON J. BIGGERS

UNIVERSITY OF MIAMI

PERMISSION TO REPRODUCE THIS
MATERIAL HAS BEEN GRANTED BY

Olaf E. Rankis

TO THE EDUCATIONAL RESOURCES
INFORMATION CENTER (ERIC)."

CS 504 377

ABSTRACT

It was the purpose of this investigation to determine the perceived intercultural communication problems that exist during the first three meetings of international business counterparts, and to assess their significance to the context of the overall negotiation process. Ss were North American, Latin American, and Caribbean business professionals who were asked to assess his/her counterpart in terms of : SOURCE CREDIBILITY, LOCUS OF CONTROL, COMPETITIVE POSTURE, COMMUNICATION CERTAINTY, DECISION MAKING FLEXIBILITY, DIFFERENCES IN HOW MEETINGS ARE CONDUCTED, ATTRIBUTION OF BLAME, PERCEIVED UNDERSTANDING, APPREHENSION, AND, DIFFERENCES IN NONVERBAL BEHAVIOR. Results suggested that differences in communicative behavior (that are not mutually recognized) continue to exist which negatively affect the negotiation process. Moreover, there is a stable negative image of the North American who is perceived by both Latin American and Caribbean business professionals in this study as being "controlling", "dominant", and representing a business that is "more equal" than that of the other.

Intercultural communication has become an increasingly important topic for the American business community, and as such, is receiving increased attention from academicians and business professionals alike. Our world has become increasingly smaller due to sophisticated transportation and communication, yet, the nature of foreign bilateral business negotiation has remained relatively static. In reality, with the present state of the art in high speed communication and transportation, the "International Division, headquarters" of any company is more apt to be involved in the direct negotiation process, instead of, or in addition to the organization's "local man in Rio." Negotiators from headquarters may be unfamiliar with the cultural demands of negotiation in the foreign country. Accordingly, they should be trained in the subtleties of communication in the intercultural context if they are to be successful.

In global politics we have recently witnessed the effects of international communication breakdowns, due to misunderstanding and insensitivity towards changing political tides, particularly in Central and South America. Such political breakdowns are not unexpected in the game of politics. International business, on the other hand, would seem wiser in view of its objectives. Unfortunately, this has not been the case, business leaders seem to be just as naive as political leaders in dealing with one another. Rankis and Biggers (1981), for example, found that communication stumbling blocks continue to exist between North and Latin American business professionals. Their Results suggested particular problems in "locus of meeting control" and communicative style differences. The Latin business professional was far more sensitive to North Americans who felt that they had a need to control

the business meeting, and to differences in how things were stated and agreed upon. The North American was unwittingly importing his/her "important" notions of time, schedule, and structure to the Latin American meeting place, where somewhat different attitudes about these notions prevail.

There is little doubt that misperceptions and misunderstandings of behavior based on cultural differences can and do affect the business negotiation process. One would think that especially large multinational companies would have learned these lessons, and made appropriate adjustments through training. This does not seem to be the case, however. Consider the recent case of General Motors trying to market the Chevrolet NOVA in Latin America. "No Va" in Spanish means "it doesn't run!" Apple, Inc (The computer company) feverishly attempted to market their line of computers in Japan. Not only did they not realize the importance of getting an established distributor to do the job, all the software and manuals were in English! These examples are not meant to libel otherwise excellent companies, but rather to point out the apparent lack of sensitivity of even the large corporations regarding intercultural communication. This problem would seem to be even more intense for the smaller, or newer companies hoping to break into a new foreign market (Rankis and Biggers, 1981).

There is no need for argument that the lack of understanding due to cultural differences can affect the business (and political) negotiation process. Communication itself is at the heart of either understanding or misunderstanding. Rather than speculate about the type of cross-cultural training needed among international business executives, a more molecular approach should be considered. That is, consideration

of person-to-person perception in the communicative context should yield information relative to the correction of emergent problems through appropriate training. It would be useful, for example, to know if communication rules and role prescriptions are a factor in the success or failure of the business negotiation. How does the North American business professional "size-up", initially, the foreign business professional? The same is of course true for the indigenous Latin American or Caribbean business professional. What are the criteria for the judgements that are made? How do judgements affect our negotiation style? We have seen from the experience of others that different cultures have different priorities in the way business is formally conducted, perceived, and brought to a final conclusion. Hall and Whyte (1966, p. 568) define one such situation:

"The head of a large, successful Japanese firm commented: 'You Americans have a terrible weakness. We Japanese know about it and exploit it every chance we get. You are impatient. We have learned that if we just make you wait long enough, you will agree to anything'."

This may be typical of how the North American business professional is viewed by counterparts around the world. The same situation might be defined by the North American as Japanese managerial style rather than the premeditated "stonewalling" it really is. Politicians who have an image problem adjust and fit the image necessary to get them elected. Why is it North American business has not made the adjustment? While it is true that North Americans do a lot of business, one wonders if they are getting the "best" business deals. Sometimes there are "no" deals which is, of course, infinitely worse than getting even a mediocre deal.

Ackermann (1976, p. 299) stated that the "common results of transcultural misreadings are mistrust, anger, and pulling out of 'sure' deals, that is, ultimate personal and corporate loss." In addition, Ackermann argues that companies involved in cross cultural contexts may, in some cases, be sending individuals to negotiate contracts who have no "interests in, background of, or aptitude for dealing comfortably and effectively with, foreign nationals." To support this assertion, Ackermann claims that from 33% to 50% of North American overseas executives return home before the expected end of their tour. These figures are confirmed by a recent abstract in the International Executive (1980) which indicates that a 40% (average) attrition rate of expatriate employees can be anticipated if careful screening is not done. This figure can be reduced to 24% with a cultural orientation program of some sort. Attrition rates for some parts of the world are even higher. Adams and Kobayashi (1969) indicated that approximately four-fifths (80%) of all foreign business representatives do not complete their mission in Japan. Besides the obvious cost in lost business, continual retraining of replacement personnel, confusion on the part of indigenous companies, the estimated initial cost to the organization is, according to The International Executive (1980, p. 24), approximately \$50,000 in moving a single family overseas. Even the conservative attrition rate of 24% would cost corporations millions of dollars annually, just for relocations. The ramifications are clear from an expenditure perspective, but what about the effect of creating a "North American Merry-go-round," where indigenous business counterparts don't know with whom to deal from week to week? This problem may not be so severe if the foreign company understood in advance that they were

dealing directly with headquarters personnel. The problem is, and will always remain, if appropriate training measures are not taken, can the negotiator function in a different cultural environment where different attitudes and behaviors prevail?

In recent times the United States has again discovered and targeted the Caribbean basin area for financial investment and development. Former Ambassador to Barbados, Sally A. Shelton, addressing the Florida International Center this past year, revealed the extent of the financial commitment to the Caribbean from both public and private sources. According to Ambassador Shelton, the annual commitment is approximately 6.3 billion dollars, with 800 million coming from The World Bank, 4.5 billion from private industry, and an addition billion from the United States government. With the passage of the new Caribbean Basin Initiative (CBI) program proposed by the present federal administration, investment is very likely to increase beyond the present 6.3 billion dollar mark.

Increase of investment implies increase in visitation, and inevitably, intercultural communication. The close proximity of the Caribbean to both North and Latin America, coupled with rapid transportation, will have the international business executive "island hopping" rather than operating from an indigenous base of operation. This will be especially true for those smaller North American firms seeking expanded revenues from markets outside the U.S. (see Biggers and Rankis, 1982).

All business organizations attempt to discover the most self-advantageous approach in dealing with the customer. Unfortunately, sometimes the most beneficial, practical, and logical path in the

short-run may lead to the predictions made by Ackermann over the long run. This seems to be a lesson that we, in North America, have still not learned.

It was the purpose of this investigation to determine the perceived intercultural communication problems that exist, and assess their significance to the context of initial business negotiations. Specifically, this investigation focused on the perceived communication problems of North American (NA), Latin American (LA), and Caribbean (CE) business professionals during their first three meetings in their respective counterpart's office. This investigation was exploratory and not hypothesis testing. Several major areas of interest were considered. They were:

Source Credibility (i.e., what dimensions of personality are seen as most desirable in the intercultural business counterpart?).

Locus of Control (i.e., during the negotiation process, which group is perceived as most influential?).

Competitive Posture (i.e., during the negotiations process do both groups perceive themselves as operating from a base of equality?).

Communication Certainty (i.e., the degree to which individuals feel sure of themselves in the negotiation context).

Decision Making Flexibility (i.e., Does one group feel more flexible than the other in their ability to make concessions about the thrust of the negotiation?).

Differences in How Meetings are Conducted (i.e., is there a difference in meeting format and expected meeting behavior?).

Attribution of Blame (i.e., when negotiations come to a stand-still who is seen as at fault?).

Perceived Understanding (i.e., the degree to which each group felt likely to be misunderstood).

Apprehension (i.e., the degree to which each negotiator felt apprehensive or anxious during the negotiation process).

Differences in Nonverbal Behavior (i.e., perceived differences, whether differences bothered the interactant, and whether such differences detracted from the meeting with respect to: gestures, punctuality, grooming, physical distance during communication, dress, way in which things were said, and the use of touching behavior).

This investigation sought to isolate culturally bound communicative differences between three major groups, the NA, LA, CE, and the various possible combinations of comparison. Given these combinations the data were used to answer the following questions about perceptions that might influence business negotiations between the major groups. (1) How do the members of each group view the members of each other group in their first three meetings? The first three meetings were chosen on the basis of Hall's (1976) suggestion that the first three meetings were the most critical in international business dealings. (2) Are there stable images for certain groups (i.e., is there an image of the NA that is shared by all other groups? (3) Are there any demographics that systematically relate to various responses on the instrument?

METHODS

Subjects

Ss were various corporate business executives from the U.S. and locations throughout Latin America and the Caribbean, who, as a matter of occupation, were normally involved in face to face international business negotiations. Only those Ss having experience in international business negotiations were solicited and asked to respond to the 30 item instrument constructed and validated for the purpose of this investigation. Demographic information about the respondent was collected at the time of responding to the instrument. A description of demographics are found in Appendix A-1.

The Instrument

An instrument was constructed for the purpose mentioned previously (see appendix B1-5). This instrument contained five sections. Section one asked Ss to consider their intercultural counterpart's personality and rank order, in terms of importance to a successful business meeting, four dimensions of credibility: competence, honesty, composure, and sociability (McCroskey and Wheelless, 1976).

The second section requested that Ss respond to a five point agree-disagree continuum (strongly agree, agree, neutral, disagree, strongly disagree) to each of 16 statements (items). Statements B,D,K were designed to assess Ss' perceptions of LOCUS OF CONTROL; items C and E assessed COMPETITIVE POSTURE; the degree of CERTAINTY was gauged by items A, F, I; items N, O, P assess DECISION MAKING FLEXIBILITY; items G and J measure perceived differences in how MEETINGS ARE CONDUCTED; two

items, L and M gauge ATTRIBUTION OF BLAME; and a final item, H, assessed the degree of perceived UNDERSTANDING.

The third section considered APPREHENSION or nervousness during the actual business encounter by asking the S to respond to one of four statements that most accurately described his/her apprehension level.

The fourth section of the instrument asked Ss to note differences in the nonverbal behaviors in communication styles of the intercultural counterpart. Additionally, if a difference existed, the S was asked to respond as to whether it was bothersome, and if it detracted from the meeting. The nonverbal behaviors assessed included: gestures, punctuality, grooming, physical distance during communication, manner of dress, way in which things were said, and the use of touch.

The final section of the instrument asked the S to write a prose statement regarding "other" or additional problems in communication with their respective intercultural counterpart.

General Data Preparation

Instrument Preparation

The present instrument was a modified version of an earlier instrument developed and used by the investigators for a similar purpose (Rankis and Biggers, 1981; Biggers and Rankis, 1982). As with the earlier instrument, the present one was translated into Spanish by a professional translator who was asked to take care in insuring the linguistic equivalence of the items. The instrument was then reviewed by several Hispanic graduate students who deemed the translation appropriate.

Validity and Reliability Check

The earlier instrument used to compare only NA and LA Ss demonstrated an overall reliability (Coefficient Alpha) of .98. The present instrument yielded an Alpha coefficient of .92, still very respectable for a 30 item instrument (see Nunally, 1967, p. 265).

Sample Equivalence

A separate demographic profile by group established no significant differences among the demographic items, i.e., educational level, size and longevity of Ss' organizations, and percentage of actual business transactions which are intercultural rather than national. The only statistical significant differences was for the frequency of non-business related visits to the intercultural counterpart's country. That is, the NA would travel significantly less than the other groups to their countries for non-business trips. In any case, the three major samples were statistically equivalent. Demographic results may be found in Appendices A2-5.

Procedures

Ss were contacted directly at the Miami International Airport as they waited in departure areas for flights to geographic locations of interest in this study. A team of bilingual research assistants were employed in data collection. These graduate and select undergraduate students had no knowledge of the overall hypotheses under study, but were adequately trained to field questions regarding the items on the instrument. Ss were given a cover letter explaining the purpose of the study, a personal demographics form, and a copy of the instrument, all of which were in the appropriate language, i.e., Spanish or English.

Statistical Methods

Chi-Square analysis and general frequencies analysis were employed for the first four sections of the instrument. The fifth section dealt with prose responses, and as such were noted and employed to give additional explanatory power to the responses on the four preceding sections. It was felt that for the purposes of this study, which was exploratory, rather than explanatory, Alpha should be set at .10.

RESULTS

Due to low frequencies for some of the group comparisons, only the following comparisons are reported: NA X LA, LA X NA, NA X CE, CE X NA. Whether it was in sampling error that low frequencies for the missing combinations were obtained, or, whether these low frequencies are indicative of the actual amount of business being conducted is unknown at the present time.

GROUP COMPARISON: NORTH AMERICAN AND LATIN AMERICAN BUSINESS

(NA X LA And LA X NA) PROFESSIONALS

(N = 35, n_{LA} = 16, n_{NA} = 19)

PART I: RANK ORDER OF CREDIBILITY DIMENSIONS

The NA in this sample ordered the dimensions in the following way:
1. Competent 2. Honest 3. Composed 4. Sociable. The LA, on the other hand, had interesting reversals in their order by juxtapositioning the order of the first two and last two dimensions providing the following order: 1. Honest 2. Competent 3. Sociable 4. Composed

PART II: LIKERT SCALING

LOCUS OF CONTROL

Locus of control was assessed by three items, B,D,K, "My counterparts feel they are in control of the meeting", "My counterparts feel obligated to move the meeting along from one agenda item to the next", and, "Generally, when in Latin America, (North America), my Latin American (North American) Colleagues try to control the first three meetings:, respectively. Item B produced a significant result, χ^2 (29) = 5.53, $p < .06$, with the LA agreeing that the NA feels in control, while the NA disagreed that the LA feels in control. This item was further corroborated by item D, χ^2 (29) = 7.01, $p < .03$ with the LA agreeing that the NA feels the need to move the meeting, while the NA disagreed that the LA needed to move the meeting along. Item K produced no significant difference, but there was a tendency for the LA to agree and the NA's to disagree.

COMPETITIVE POSTURE

This concept was measured by items C and E, "My counterparts feel that they represent a business which is inferior to mine" , and "My counterparts feel that their company is equal to mine". Item C produced no significant differences with both groups disagreeing with the statement that the other felt their business was inferior. Item E, on the other hand, produced a significant difference in response, χ^2 (29) = 7.89, $p < .02$, with the NA's agreeing that the LA felt their company was equal, and the LA disagreeing that the NA felt their company was equal.

COMMUNICATION CERTAINTY

Certainty was assessed by items A,F,I, "I find that I act somewhat differently in a meeting with my Latin American (North American) counterpart than I would at my office with the same person", "I am bothered that my counterpart appears uncertain about how typical North American (Latin American) business meetings are conducted", and "I worry about doing or saying the 'wrong' things in the meeting", respectively. All three items produced no significant differences between the groups. Items A and F found both groups evenly split among the response categories, while item "I" demonstrated a tendency for both groups to disagree.

DECISION MAKING FLEXIBILITY

Decision making flexibility was assessed by items N,O,P, "Generally, my LA (NA) counterpart is permitted to be more flexible in the negotiations decision making process than I am", "At the time a final decision is to be made, my LA (NA) counterpart has more levels of bureaucracy to get through for final approval", and "Decisions seem to take more time to be reached in LA (NA) companies than mine". Responses on these items produced no statistically significant differences with Ss disagreeing on item N, and agreeing on items O and P, respectively.

DIFFERENCES IN HOW MEETINGS ARE CONDUCTED

This concept was measured by items G and J, "My counterparts appear to be more interested in personal matters than in getting started with the business at hand", and, "There are substantial differences in how LA and NA business people conduct their meetings". Both items yielded no

significantly different responses, with both groups disagreeing on item G, and agreeing that meetings were conducted differently (item J).

ATTRIBUTION OF BLAME

Attribution of blame was gauged by items L and M, "When difficulties in the negotiations process arise, it is probably the fault of my LA (NA) counterpart, or his company", and, "My counterpart generally facilitates the negotiations process in coming to a successful conclusion".

Item L produced no significant differences, with both groups being evenly split between "neutral" and "disagreement." Item M was also non-significantly different with both groups in agreement that the other facilitates the negotiations process.

PERCEIVED UNDERSTANDING

This concept was assessed by only one item, H, "There is a greater chance that my business intentions will be misunderstood by LA (NA) colleagues than by NA (LA)". While non-significantly different, responses for the LA tended to disagree with the NA, who tended to agree with the statement.

PART III: APPREHENSION

No significant differences in responses with both groups indicating that they were not nervous.

PART IV: NONVERBAL DIFFERENCES IN BEHAVIOR

GESTURES

Neither group felt that gestures were different.

PUNCTUALITY

Both groups agreed that punctuality was different. It bothered 50% of the NA group, but not the LA group. A significant portion of the NA group felt that punctuality (or the lack of it) detracted from the outcome of the meeting, $\chi^2 (34) = 4.9, p < .03$.

GROOMING

LA respondents felt that a significant difference in grooming existed, while NA Ss did not, $\chi^2 (34) = 4.64, p < .03$. Grooming did not appear to bother either group, or detract from the meeting.

PHYSICAL DISTANCE DURING COMMUNICATION

Both groups were evenly split between agreement and disagreement that this behavior is different. It didn't bother either group, nor did it detract from the meeting.

MANNER OF DRESS

The LA group agreed while the NA group disagreed that manner of dress was different. The fact that dress was different didn't bother the LA, or detract from the meeting.

WAY IN WHICH THINGS ARE SAID

Both groups agree that differences exist in this category, but that it does not bother either group, or detract from the meeting.

USE OF TOUCH

Both groups agreed that touching behavior was different, but that it did not bother either group, nor did it detract from the meeting.

SUMMARY OF NA X LA LA X NA COMPARISON

There are relatively strong differences among these two groups, and not inconsistent with previous research by the investigators (Rankis and Biggers, 1981). These differences manifest themselves most notably in desirable traits in the counterpart (part I), where differences in desirable attributes in the other are fairly great. Power relationships as in LOCUS OF CONTROL and COMPETITIVE POSTURE suggests that no matter where business is being conducted, the NA feels a need to control. This perception has not gone unnoticed by the LA. Moreover, while the NA feels the LA is bargaining from an equal company posture, LA does not believe that the NA feels equal. The nonverbal areas again demonstrate classic differences between North and Latin Americans, particularly in the realm of punctuality. The NA has an apparently difficult time in re-adjusting his-her cultural clock in order to curb the resulting aggravation.

GROUP COMPARISON: NORTH AMERICAN AND ENGLISH SPEAKING CARIBBEAN
BUSINESS PROFESSIONALS

(NA X CE / CE X NA)

(N = 38, n_{ce} = 25, n_{na} = 13)

PART I: DIMENSIONS OF CREDIBILITY

In terms of which traits were seen as most important, the NA ordered the traits somewhat differently than the CE: 1. Honesty 2. Competent 3. Composed 4. Sociable. The CE, on the other hand ordered the configuration: 1. Honest 2. Competent 3. Sociable 4. Composed, thus juxtaposing the last two traits.

PART II: LIKERT SCALING

LOCUS OF CONTROL

This concept was assessed by items B,D,K, "My counterparts feel they are in control of the meeting", "My counterparts feel obligated to move the meeting along from one agenda item to the next", and, "Generally, when in the Caribbean (NA), my Caribbean (NA) colleagues try to control the first three meetings". Item B yielded no significant difference in response, with groups spread across all categories. There was, however, a tendency for the CE to agree, and the NA to disagree. Item D demonstrated a significantly different response for the two groups, $\chi^2 (36) = 12.84, p < .002$, with the CE agreeing and the NA disagreeing to the statement. The last item in this section, K, was also significantly different, $\chi^2 (36) = 10.88, p < .0004$, again with the CE agreeing and the NA disagreeing to the statement.

COMPETITIVE POSTURE

This concept was gauged by items C and E, "My counterparts feel that they represent a business which is inferior to mine", and, "My counterparts feel that their company is equal to mine". There were no significantly different responses between the groups for either item, with both groups disagreeing to the statement in item C, and both groups being split across all categories in item E.

COMMUNICATION CERTAINTY

Certainty was assessed by items A,F,I, "I find that I act somewhat differently in a meeting with my Caribbean (NA) counterpart that I would at my office with the same person", "I am bothered that my counterpart

appears uncertain about how typical Caribbean (NA) business meetings are conducted", and, "I worry about doing or saying the 'wrong' things in the meeting, respectively. While the responses on all three items were non-significantly different from each other, the following observations were made: item A found both groups agreeing to the statement, item F found Ss evenly split among all response categories, and for item "I", groups were split between agreement and disagreement with the statement. There was a tendency for the CE to agree and the NA to disagree, but the difference was not strong enough to produce a significant difference.

DECISION MAKING FLEXIBILITY

This concept was assessed by items N, O, P, "Generally, my Caribbean (NA) counterpart is permitted to be more flexible in the negotiations decision making process than I am"; "At the time a final decision is to be made, my CE (NA) counterpart has more levels of bureaucracy to get through for final approval", and, "Decisions seems to take more time to be reached in the Caribbean (NA) companies than mine".

Item N yielded no significant differences in the responses of the two groups. Both groups were split across the categories. The responses for item O were significantly different, $\chi^2 (36) = 7.26, p < .03$, with the NA agreeing to the statement and the CE remaining neutral. Item P was also significantly different, $\chi^2 (36) = 6.05, p < .05$, with the NA overwhelmingly agreeing to this statement, while the CE was split across the response categories.

DIFFERENCES IN HOW MEETINGS ARE CONDUCTED

This concept was assessed by items G and J, "My counterparts appear to be more interested in personal matters than in getting started with the business at hand", and, "There are substantial differences in how CE and NA business people conduct their meetings", respectively. Both items produced no significantly different responses, with both groups disagreeing on item G, and agreeing that meetings were conducted differently (item J).

ATTRIBUTION OF BLAME

Attribution of blame was assessed by items L and M, "When difficulties in the negotiations process arise, it is probably the fault of my CE (NA) counterpart, or his company", and, "My counterpart generally facilitates the negotiations process in coming to a successful conclusion".

Both items produced no significantly different responses for either group, with the groups disagreeing on item L, and agreeing on item M.

PERCEIVED UNDERSTANDING

This concept was assessed by item H, "There is a greater chance that my business intentions will be misunderstood by CE (NA) colleagues than by NA (CE)". Both groups tended to disagree with this statement and results were not significantly different.

PART III: APPREHENSION

Both groups were equally split between being equally nervous and to not being nervous.

PART IV: NONVERBAL BEHAVIOR DIFFERENCES

GESTURES

A significant difference was observed, $\chi^2 (37) = 3.8, p < .05$ with the NA agreeing that gestures were different, while the CE did not. This difference did not bother either group, nor did it appear to detract from the meeting.

PUNCTUALITY

Although both groups tended to agree that punctuality was different, the responses for both groups were split between agreement and disagreement that punctuality was different. It significantly bothered 50% of the NA sample, $\chi^2 (37) = 2.84, p < .09$. It did not detract from the meeting for either group.

GROOMING

A significant difference regarding grooming was observed, $\chi^2 (37) = 5.96, p < .01$, with 50% of the NA group agreeing that a difference existed, while the CE overwhelmingly disagreed that such differences existed. It neither bothered either group, nor did it detract from the meeting.

PHYSICAL DISTANCE DURING COMMUNICATION

No differences were observed, with both groups disagreeing that such differences existed.

MANNER OF DRESS

Both groups disagreed that manner of dress was different.

WAY IN WHICH THINGS ARE SAID

Although the responses for each group were not significantly different from the other, there was a tendency for the NA to agree, and the CE to disagree that differences existed. It did not bother either group, nor did it detract from the meeting.

USE OF TOUCH

Although there were not significant differences, both groups tended to disagree that differences in touching behavior existed. It did not bother or detract from the meeting.

SUMMARY OF CE X NA NA X CE COMPARISON

Dimensions of credibility were ordered differently for the last two traits, sociability and composure. Once again the NA is perceived as controlling and feeling dominant in the negotiations process. While it is generally agreed upon by both groups that differences existed, the NA had a self perception of being more flexible and decisive. The nonverbal differences suggested that the NA was more sensitive than the CE about such differences. That is, in virtually all nonverbal categories where differences were thought to exist, it was the NA who pointed to the differences.

DISCUSSION

It was anticipated that pronounced differences would manifest themselves, but would not be mutually recognizable. It is when such

differences are not recognized that they may well act as communication stumbling blocks, and lead to the predictions made by Ackermann. Unfortunately, the present investigation again points to differences in behavior that remain unrecognized, and may contribute to problems in interpersonal perception in international business negotiations. There can be little doubt that when behavioral differences continue to exist without mutual recognition, this contributes to feelings of misunderstanding, uncertainty, and general confusion.

The business professional should take notice that when dealing with a colleague from a different culture, it is likely that even the type of counterpart being sought by each professional is going to be very different (i.e. in terms of desirable personality traits). Moreover, it should be realized that differences exist in how meetings are conducted, and that behavioral differences are concomitant to this.

Of singular importance in this investigation, for the North American, is the fact that he/she is perceived as feeling dominant, controlling, and just a "little more equal" than the other. This seems to be a fairly stable image across all comparisons made in this investigation.

When dealing with persons of Latin backgrounds, the NA appears somewhat insensitive to behavioral differences, yet is "bothered" by a lack of punctuality to the point of having it detract from the meeting. The results from the CE sample were somewhat unexpected considering the reversal in sensitivity, with the NA being the more sensitive. Certainly this suggests an area for future research.

The major finding of this investigation demonstrated that stumbling blocks continue to exist in intercultural business negotiations, and

that these differences are not mutually recognizable. Since these differences do seem to exist, there can be little doubt that the "best deals" are probably not being made, and that North American companies are losing "sure" deals in both Latin America and the Caribbean. There is no argument that North American hardware and software are among the best in the World. The point is simple, products do not sell themselves, people sell them, and when there are "people problems", the results point to a loss of business revenue. If the problem is simple, than so is the solution; with intercultural communication training, international business professionals can minimize the effects of such stumbling blocks, and thereby increase international negotiating efficiency.

REFERENCES

Ackerman, Jean Marie. "Skill Training for Foreign Assignments: The Reluctant U.S. Case." In Larry A. Samovar and Richard E. Porter, Intercultural Communication: A Reader (2nd ed.). Wadsworth, 1976.

Adams, T. F. M. and N. Kobayashi. The World of Japanese Business. Tokyo, 1969. (p. 147).

Biggers, Thompson and Rankis, Claf. "International Business Negotiations: The Florida Perspective." The Florida Banker, Sept, 1982, pp. 24-26.

Hall, Edward T, and William Foote White. "Intercultural Communication: A Guide to Men of Action." In Alfred G. Smith, Communication and Culture. New York: Holt, Rinehart, Winston, Inc., 1966. (pp. 567-576).

Hall, Edward T. Beyond Culture. New York: Anchor Books, 1976.

The International Executive. "Adaptability Interviews in Selecting Individuals for Foreign Service." Spring/Summer, 1980, vol, 22, #2. (p. 24).

McCroskey, James. "Oral Communication Apprehension: State of the Art." Human Communication Research. Fall, 1977, vol. 4, #1.

McCroskey, James, and L.R. Wheelless. Introduction to Intercultural Communication. Allyn and Bacon, 1976.

Nunnally, J. C. Psychometric Theory, McGraw Hill, 1967.

Rankis, Olaf and Biggers, Thompson. "Perceived Communication Problems in Intercultural Business Negotiation: A Assessment of Person Perception and Comparison of Cross Cultural Differences." Paper presented at the meeting of the International Communication Association, Boston, May 1982.

Nunnally, J. C. Psychometric Theory, McGraw Hill, 1967.

Rankis, Olaf and Biggers, Thompson. "Perceived Communication Problems in Intercultural Business Negotiation: A Assessment of Person Perception and Comparison of Cross Cultural Differences." Paper presented at the meeting of the International Communication Association, Boston, May 1982.

APPENDIX A-1

PLEASE ANSWER THE FOLLOWING QUESTIONS ABOUT YOURSELF AND YOUR COMPANY.
THIS INFORMATION WILL BE USED FOR DEMOGRAPHIC ANALYSIS ONLY. NO ATTEMPT
WILL BE MADE TO IDENTIFY YOU. AGAIN, THANK YOU FOR YOUR PARTICIPATION.

*** NOTE *** "Latin American" refers only to Spanish speaking countries
other than Puerto Rico.

1. About how many employees does your company have? _____
2. How many divisions or major department does you company have? _____
3. How many years has your company been in operation? _____
4. What is the major activity of your company? _____
5. How many years have you been with this company? _____
6. What is your present position? _____
7. What are your major responsibilities? _____
8. How long have you held your present position? 1y _____
9. What is your educational background? _____
10. How many times have you visited Latin America?
Business _____ Non Business _____
11. What percentage of your company's total business is carried on with
Latin American concerns? _____
12. On the average, how many business meetings do you have in a typical
month with Latin American business professionals? _____
13. What percentage of your job is concerned with Latin American
business? _____

SURVEY: NAB/LAB

APPENDIX A-2

(DEMOGRAPHICS)

NUMBER OF EMPLOYEES:

CE respondents tended to come from medium size companies (27.80 employees), while LA Ss were evenly split among small (3-26), medium (27-80) and large (100-500) companies. The Puerto Ricans represented mostly small companies while the NAs tended to represent multinationals (over 1000) or large companies.

NUMBER OF DIVISIONS:

This number was corroborative of the previous item with LA and CE companies having 4-7 divisions, the NA having anywhere from 8 to 100 divisions, and the PR having 0-3 divisions in their respective companies.

YEARS OF COMPANY OPERATION

The CE was split between moderately new (12-18 yrs) and long term (50-100 yrs) organizations. The LA was split between new (1-10 yrs) and established (20-42 yrs) companies. The NA sample represented longterm, followed by new businesses with the remainder being split between moderate and established companies.

MAJOR COMPANY ACTIVITY

The data fell into four major categories: Service, Sales, Manufacturing, and Other (i.e., research, agricultural, health, government).

The CE was involved with service and other categories. The LA was involved with service and manufacturing. The NA was evenly split among all categories. The PR in this sample represented almost exclusively sales and service.

NUMBER OF YEARS WITH THE COMPANY

Interestingly, the distribution spread from 0-24 years with the same firm, but indicated no significant difference between groups. The number of years was similar for respondents in each group.

PRESENT POSITION OF RESPONDENT

The CE was mostly involved in accounting followed by managerial duties. The LA was equally divided among managers, owners, and directors. The NA was fairly evenly split between managers and directors; no owners or accountants. The PR sample represented mainly directors.

MAJOR POSITION RESPONSIBILITY

All groups held themselves to be exclusively involved with administration regardless of company activity.

LONGEVITY IN PRESENT POSITION

There was a tendency for all groups to have over 50% of their respective respondents in their present position (not necessarily with the same company) for a long time (10-31 years). The rest were scattered between 0-9 years, but again, remaining equal across all groups.

EDUCATIONAL LEVELS

Approximately a third of each sample had less than a baccalaureate degree, again statistically equivalent in all categories. According to the data there was a trend for the NA to be a little better educated (i.e., have more advanced degrees than other groups). Such differences are numerical rather than statistical.

FREQUENCY OF VISITS (SOCIAL AND BUSINESS)

BUSINESS VISITS: Overall responses showed that over 60% of all groups visit their counterparts frequently (3-9 visits per month). Interestingly this trend radically changes for SOCIAL VISITS, with only 15% of the NA's EVER visiting the place where they do business, while over 50% of all other groups visit the other countries for non-business purposes.

NUMBER OF MEETINGS PER MONTH

All groups were fairly identical in the number of meetings they attended hosted by their counterpart. The range was from few to very often (1-9 per month).

PERCENT OF BUSINESS WITH COUNTERPARTS COUNTRY

The CE seems to have the least actual business with his counterpart with only 0 to 5% of business directed there. Both LA's and NA's claim to be involved with moderate (10-60%) and high (60-100%) business with their counterpart's country. The PR describes little (0-5%) to moderate percentage of business with his counterpart.

No significant differences between demographics appeared between any specific group combination,

APPENDIX B-1

INSTRUCTIONS:

As you respond to the following questions, think, of what a North American business professional needs to know about in terms of communicating with a Latin American business professional during the first three meetings. Assume that the Latin American is a native of Latin America and that these meetings are taking place in the offices of the Latin American business representative (or company, when appropriate) with a North American business representative.

THE SURVEY

1. In evaluating a Latin American business professional, indicate the importance of the following characteristics by placing a number next to each characteristic. Please DO NOT give any two characteristics the SAME number.

1 = MOST IMPORTANT. 2 = SECOND MOST IMPORTANT 3 = THIRD MOST IMPORTANT

4 = LEAST IMPORTANT

HONEST SOCIABLE COMPOSED COMPETENT

2. Circle the appropriate response along the AGREE-DISAGREE continuum for each of the following statements:

SA = STRONGLY AGREE A = AGREE N = I DON'T KNOW D = DISAGREE
SD = STRONGLY DISAGREE



B-2

In the first three meetings with Latin American business professionals:

A. I find that I act somewhat differently in a meeting with my Latin American counterpart than I would at my office with the same person.

SA A N D SD

B. My counterparts feel that they are in control of the meeting.

SA A N D SD

C. My counterparts feel that they represent a business which is inferior to mine.

SA A N D SD

D. My counterparts feel obligated to move the meeting along from one agenda item to the next.

SA A N D SD

E. My counterparts feel that their company is equal to mine.

SA A N D SD

F. I am bothered that my counterpart appears uncertain about how typical North American business meetings are conducted.

SA A N D SD

G. My counterparts appears to be more interested in personal matters than in getting started with the business at hand.

SA A N D SD

H. There is a greater chance that my business intentions will be misunderstood by Latin American colleagues than by North Americans.

SA A N D SD

B-3

I. I worry about doing or saying the "wrong" things in the meetings.

SA A N D SD

J. There are substantial differences in how Latin American and North American business people conduct meetings.

SA A N D SD

K. Generally, when in Latin America, my Latin American colleagues try to control the first three meetings.

SA A N D SD

L. When difficulties in the negotiations process arise, it is probably the fault of my Latin American counterpart, or his company.

SA A N D SD

M. My counterpart generally facilitates the negotiations process in coming to a successful conclusion.

SA A N D SD

N. Generally, my Latin American counterpart is permitted to be more flexible in the negotiations decision making process than I am.

SA A N D SD

O. At the time a final decision is to be made, my Latin American counterpart has more levels of bureaucracy to get through for final approval.

SA A N D SD

P. Decisions seems to take more time to be reached in Latin American companies than mine.

SA A N D SD

B-4

3. All people are apprehensive or nervous at times, especially when one has a vested interest in bringing about a successful business conclusion. With this in mind, please check the statement which most accurately describes how you feel in the negotiation process.

- a. I am more nervous than my Latin American colleague.
- b. I am less nervous than my Latin American colleague.
- c. We are probably equally nervous.
- d. Neither of us is nervous.

4. In comparing Latin American business representatives with their North American counterparts, differences may exist in their communicative behaviors. Some of these differences may detract from the business meeting. For each of the following behaviors, indicate which one are substantially different, if they BOTHER your, AND if they detract in some way from the meeting. Circle all that apply

<u>BEHAVIOR</u>	<u>IS DIFFERENT</u>	<u>BOTHERS ME</u>	<u>DETRACTS</u> <u>FROM MEETING</u>
a. GESTURES	A	A	A
b. PUNCTUALITY	B	B	B
c. GROOMING	C	C	C
d. PHYSICAL DISTANCE DURING COMMUNICATION	D	D	D
e. MANNER OF DRESS	E	E	E
f. WAY IN WHICH THINGS ARE SAID	F	F	F
g. USE OF TOUCH	G	G	G

B-5

5. Please use the back of this paper to indicate "other" problems you see in communication between North American and Latin American business persons.