
Tailoring the Mutual Gains Approach to Negotiation for Counterparts in Japan, China, and Korea

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In this article, we review

the literature regarding negotiation norms and approaches in Japan,

China, and Korea. Drawing on structured interviews with experienced

business executives at Hewlett-Packard, a U.S. corporation with a

substantial presence in these countries, we highlight ways in which

cross-cultural difficulties can arise in negotiations between American

organizations and their Eastern counterparts.

Negotiation across cultures is occurring more often today than ever before. Last year, a single company, Hewlett-Packard, negotiated for an estimated \$40 billion in goods and services with suppliers in East Asia and for an additional \$12 billion with East Asian sales partners. While a growing body of literature has looked at the role that culture plays in business negotiation (Brett 2001; Salacuse 1991; Sebenius 2002; Wanis-St. John 2005), prescriptions have often focused on different levels of social analysis (e.g., social etiquette, organizations, and general cultural norms). As a result, negotiators are confronted with advice that can be both very specific (e.g., receive a business card with two hands) and very broad (focus on relationships first). As James Sebenius (2002) notes, most advice focuses on individuals and largely overlooks the need to influence decisions in more than one organization through the use of some strategic process. In short, parties usually lack a road map on how to proceed in a way that maximizes their chances of creating value while respecting the different norms and processes found in various cultures.

In this article, we try to lay out a road map that focuses on creating value while managing relationships within the norms and customs typically found in three economically dynamic Asian countries: Japan; the People's Republic of China; and the Republic of Korea. To gain a better understanding of how businesses in these cultures currently approach important negotiations with their counterparts in the West, we interviewed two dozen senior executives from Hewlett-Packard who collectively possess many years of negotiation experience. We also reviewed negotiation literature from the U.S., Japan, China, and Korea to look for similarities and differences. Based on our findings, we provide an expanded or tailored model for U.S. organizations that negotiate with their

counterparts from those countries. It is a model presented in a spirit of theory-generation and model-building rather than as a set of airtight conclusions. We believe that, as companies adopt and adapt this model, greater refinement and empirical support is likely to follow.

We want to emphasize at the outset, however, that in an increasingly global world, it would be foolish to advance a rigid process or set of invariant prescriptions. Today, a negotiator from another country may have come from a multicultural family, may have been educated elsewhere, may have worked extensively overseas, and may be well acquainted with a variety of cultural practices. We feel it is a mistake to assume that all individuals from a culture have the same personality or background (Susskind 2004), and it is also a mistake to ascribe difficulties or uncertainties that emerge during negotiations to “the unique culture” of a given country. As we hope will be clear, our model does not advance an invariant “one-size-fits-all” set of tactics. Rather, it is a contextual model that is meant to describe how a general strategy for creating value and protecting relationships can be bolstered by attention to additional factors, before, during, and after the negotiation. How attention is deployed and how specific interactions proceed probably depends to a significant degree on the skill and experience of the negotiator. Nevertheless, we contend that having a flexible and contextual model is better than having none.

[Read the complete “Tailoring the Mutual Gains Approach to Negotiation for Counterparts in Japan, China, and Korea”.](#)