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# International negotiations with Brazil: An essay about culture factor

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With the aim to present some salient aspects of the Brazilian culture and how they may affect the processes of international negotiations, the paper addressed the different approaches that point out the specific qualities and patterns of Brazilian negotiator. Based on the international negotiations principles and the role of culture, the study presents some of the most discussed theoretical frameworks that investigate such issues. On the other hand, considering the results of few and disconnected investigations, it identifies the main cultural characteristics of the Brazilian negotiators according to three models. The results of the literature review show that because of the geographical extension of the country and population's diversity, it is not possible to set up a unique profile of Brazilian negotiator. The paper concludes with some recommendations for potential trader interested in doing business in Brazil.

Key words: International negotiation, Brazilian culture, international trade agreements, international relationships.

# INTRODUCTION

With its enormous size and population of almost 200 million, after opening up its market in 1991 and stabilizing its currency in 1994, Brazil arouses the interest of organizations in all parts of the world. Being one of the biggest consumer markets nowadays, it belongs to the group known as BRIC (Brazil, Russia, India, China), a group which has been the focus of international negotiations in companies in practically every country. As one of the largest markets to be exploited at the beginning of the 21<sup>st</sup> century, foreign negotiators try to win a slice of this huge market (Floriani, 2002).Faced with the possibility of entering the Brazilian market, negotiators from countless organizations visit the country in an attempt to sign agreements on the purchase and sales of its goods and services. Some are successful, others are not. The key to success in negotiations with Brazilians involves understanding the particular characteristics of this nation, among them the Brazilian business culture (Almeida et

al., 2004).

With little more than 500 years of history and originally the land of Indians, Brazil was colonized by Portugal. In the course of these 500 years, the country received a wide variety of immigrants; some were forced to go there (African slaves) and others went on their own free will (Portuguese, Italian, German, Spanish, English, French, Dutch, Russian, Polish, Ukrainian, Japanese, Chinese, Korean and many others). Ethnic diversity made Brazil a multicultural country, with no culture predominating over the whole nation (Floriani, 2002). This cultural complexity has been one of the greatest challenges for foreign negotiators who go to Brazil to settle commercial agreements. Therefore, the problem guiding this study can be described as follows: In relation to Brazilian culture, what aspects of the Brazilian negotiator warrant the attention of foreign negotiators who envisage carrying out business with Brazil? To answer this question, the aim of this study

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was to highlight aspects of Brazilian culture in negotiators from this country that influences international negotiations. The study is important with Brazil being one of the emerging nations, showing significant internal growth and great potential as a consumer market and being a strategic nation for organizations wanting to obtain higher and better global results. Another justification for the study presented here is the near absence of previous research into cultural factors influencing international negotiations with Brazil. The few unconnected studies on the topic were of an exploratory nature and focused on comparing Brazilian negotiators with those of other countries.

In carrying out this study, firstly, the principles of international negotiation were dealt with. At a second stage, the culture factor was dealt with specifically in negotiations between different countries, highlighting the models most widely used in investigations on the subject (Acuff, 1998; Hofstede, 1980; Hall, 1976, 1989). Following this is a description of research already carried out dealing with Brazilian culture in international negotiations, based on the three models and the results of the investigations analyzed. The next step aimed to join the recommendations in studies already made for foreign negotiators, when they try to make commercial agreements in Brazil. The study closes with final considerations, including its limitations and suggestions for future research on the subject.

# PRINCIPLES OF INTERNATIONAL NEGOTIATION

The opening of new markets, the emergence of economic blocks, the evolution of transport and computers allowed the growth of international commerce (Almeida et al., 2004; Oliveira, 2004). It is understood that globalization practically eliminated national borders, encouraging commercial relationships between countries that were historically very different (Featherstone, 1997), and leding to the appearance of large companies and strong brands worldwide (Machado and Martinelli, 2001). The growth of international commerce created opportunities and challenges for practically all organizations, among them the ability to negotiate with organizations in other countries (Volkema and Rivers, 2008).

In this context, Malhotra (2001) explained that international negotiators must be properly prepared for this new situation, seeking to extend their knowledge of their current and potential business partners. They need to recognize patterns of conduct and values that are different from their own, something which increases their chances of success in international commercial agreements. Therefore, the professional negotiator, in doing business abroad, must base himself on the predominant aspects (value system, social organization, and linguistic, educational and aesthetic matters) that can influence the negotiation process, avoiding unnecessary conflicts with the other party (Oliveira, 2004). This demands flexibility, creativity, and knowledge of the culture, economy, society and politics, besides mastering other languages and fine-tuned negotiation techniques (Machado and Martinelli, 2001). That is to say, negotiating internationally has been a source of competitive advantage for organizations today (Ventura and Martinelli, 2008; Volkema and Rivers, 2008).

Phatak (1997) defined international commercial negotiations as the activities of both public and private companies that involve movements crossing national borders, in the search for resources, products, services, knowledge or skills. According to Lewicki et al. (2006), international negotiation is an extremely complex process.

Minervini (1991) explained that to sell in a given country, various factors must be taken into consideration: geographical situation, import restrictions and quotas, embargos, customs duty, boycotts, non-convertible currency, economic instability, history of payment and ability to do so, excessively bureaucratic regulations, level of technology, competition, pressure from trade unions affected by the negotiations, anti-dumping laws, compensatory subsidies and rights, adherence to technical norms, customs value code, import licence procedures, lack of clarity in import policies, demands for certificates and tests, health legislation, cultural aspects, types of commercialization, types and cost of promotion, demands for nationalization of products and credibility. That is to say, carrying out negotiations between countries is a challenge.

For Lewicki et al. (2006), these factors are contained in two contexts: environmental and immediate. The environmental context includes:

1. Political and legal pluralism: differences between countries in terms of politics and laws is a relevant factor in international negotiations; tax policy can ease or hinder commercial agreements;

2. International economies: the exchange rate and its fluctuations can affect the value of agreements between organizations from different countries;

3. Government and bureaucracy: regulate the activities of the country's organizations, and can influence commercial agreements positively or negatively;

4. Instability: political, economic, social and other forms of instability can jeopardize negotiations (lack of resources such as electricity, water, telecommunications, food, transport, etc.);

5. Ideologies and culture: challenge communication between the parties and perfect understanding of what is good for both sides; culture is the focus of this study;

6. External stakeholders: organizations that do not participate in the negotiation can be affected by its results (trade unions, associations, embassies, and others).

In the immediate context, we find:

7. Bargaining power: the parties' relative power, where

one shows itself to be stronger than the other and is able to lead the negotiations towards its own interests;

8. Levels of conflict: emerging through rivalry between countries, ethnic groups, religions, ideologies, these are inherent in any international negotiation;

9. Relationship between the parties: developing a good relationship between the parties has a positive influence on concluding good agreements where both sides gain;

10. Expectations from the results: besides the parties who want to benefit from the results of the negotiations, countries also use these results to attain domestic and international political goals;

11. Internal stakeholders: the satisfaction of those directly involved in the negotiation is one of the factors measuring the result of international negotiation.

To ease comprehension of this wide range of factors, Bocanera (1997) grouped them in four factors: the setting and/or place (where the negotiation takes place); culture (parties' forms of acting); the bureaucracy of foreign organizations (not only of the negotiating organization, but also of others involved); and foreign laws and governments (easing or hindering negotiation). Hurn (2007) grouped these factors in a different way: linguistic and cultural differences; legal, regulatory and tax systems; differences in business practices; the country's political and economic situation.

Bearing in mind that negotiation is a process of giving and receiving, where the parties involved move from their original positions to a point where an agreement can be settled (Steele et al., 1991; Ma, 2007), for effective negotiations, it is necessary to understand the principles of negotiation, summarized in the study by Usunier (1996): it involves two or more interdependent parties: there are conflicts of interest; there is a common need to reach an agreement; communication is the means to lead negotiation; all parties try to use one or more forms of influence to obtain better results; the parties involved expect concessions to settle the matter. This means the negotiator must be prepared for the most varied situations, and that preparation depends on a set of information acquired before negotiation begins. In cases of international negotiation, guestions such as culture, laws and comercial practices are fundamental for good performance by the negotiator (Floriani, 2002).

The studies by Acuff (1998, 2004) offer guidelines for carrying out business between countries and serve as a basis for international negotiators: understanding and respect for the pace of negotiations; use of appropriate negotiating strategies; less emphasis on settling the agreement and greater focus on interpersonal relationships; understanding of the emotional aspects and decision-making processes of the other party; respect for, and thorough knowledge of contractual and administrative factors. For Ventura and Martinelli (2008), the basic variables of negotiation globally can be summarized as time, information and power, which is oversimplifying a complex phenomenon, as is the case of the influence of culture on international negotiations. To achieve this type of business, the authors suggest the following steps: preparation, building the relationship, exchange of information, persuasion, concessions, agreement.

However, it must be remembered that international negotiations involve greater risks than domestic negotiations. Not only in practical matters such as currency, laws and norms, but also through lack of agreement between the parties due to cultural differences, personal values, personalities or negotiating styles. The cultural aspect has been the most obvious reason for difficulties between negotiators from different countries (Godinho and Macioski, 2005; Ventura and Martinelli, 2008).

Hurn (2007) defines the essential qualities of an international negotiator in this way: ability to listen, sensitivity to different cultures, orientation towards people (rather than business), team work, high self-esteem, high ambitions, strong personality, ability to learn constantly, mastering languages. All this enables the negotiator to adapt well to new cultural environments, allowing completion of business that is good for all parties involved (Simintiras and Thomas, 1998; Metcalf et al., 2007). Competence and skills in international negotiation increase the chances of successful business between organizations from different countries (Mintu-Wimsatt and Gassenheimer, 2000).

For a company to achieve international success it must work hard, be prepared and understand the people involved, as negotiators from other countries are differrent, in perceptions, expectations, motivations, convictions and perspectives. Negotiators' correct preparation must include the other party's culture, this aspect being one of the most important in international negotiations (Gulbro and Herbig, 1999; Hurn, 2007).

#### The culture factor in international negotiation

For Almeida et al. (2004), in international negotiations, cultural particularities such as social division in castes, formality in greetings, discrimination in the presence of women at the negotiating table, body language and collective and slow decision-making are seen to be relevant. Study, observation and knowledge of the other party's local customs and particularities can be crucial for the negotiation to have the desired success. This being so, according to Hendon (2007), organizations are becoming more and more conscious of the importance of understanding cultural differences in internationalization processes. These processes require thorough comprehension of cultural convictions in the other country, this being one of the most significant factors in managing international organizations (Chang, 2003). In fact, cultural differences are often blamed for failed international negotiations (Elahee et al., 2002).

Different societies have different ways of managing time, communication, information, authority and conflict-

solving. This is essential in understanding how to investigate another culture. Individuals and commercial and governmental organizations behave differently according to their culture. The problem is not the language, but rather the cultural mechanism (Malhotra, 2001).

In international negotiations, something that stands out is the other country's cultural history, determining local negotiators' views. Respect must be shown for aspects of a foreign country's cultural heritage (Hurn, 2007). Therefore, at this time of global cooperation, it is imperative that negotiators prepare to understand better the behaviour of those on the other side of the negotiating table. International negotiators need to be informed about the other party's tendencies which are directly influenced by the culture in the other negotiator's country of origin (Metcalf et al., 2007). Cultural values affect interests, priorities and the strategies used by negotiators (Brett, 2001).

Thompson (1989) defined culture as a varied set of customs, values, habits, beliefs, practices, conventions and expressions characteristic of a specific society or a historical period. It is a people's way of life, represented by a group of people's ways of acting, feeling and thinking. In a later study, Thompson (2001) stated that culture is formed of many dimensions, such as nations, professional groups, social classes, races, tribes, corporations, clubs, social movements and others, that is, culture should not be considered as something simple.

Dressler and Carns (1980) stated that culture allows communication among individuals through learned and shared language; it predicts how members of a society will react to certain actions; it standardizes what is right and wrong, ugly and pretty, safe and dangerous; it provides knowledge and skills that allow satisfaction of the basic needs of individuals of that culture; it allows identification of one and another. Engel et al. (1990) go further by highlighting some of the most important characteristics influenced by culture: the sense of self and place; communication and language; dress and appearance; food and eating habits; time and the notion of time; family, organizational and governmental relationships; values and norms; beliefs and attitudes; mental and learned processes; work customs and practices.

It can therefore, be understood that different cultures have different negotiating styles, in aspects such as time, language and influences, as well as different needs to be satisfied in the agreement. Observation of cultural differences is shown to be fundamental for the success of international negotiations. Cultural training has a deep relationship with negotiation and with the professionals and methods used (Bornhofen and Kistenmacher, 2007). Panosso and Nique (2000) state the need to understand how much cultural differences and national characteristics have an impact on a process of international commercial negotiation. In addition, the authors suggest that international negotiators be aware of how important it is to consider cultural differences when they undertake negotiations in another country, with a view to overcoming skilfully the obstacles that may arise.

The study by Brett (2001) confirmed the importance of cultural differences. The author identified that culture is formed of psychological elements, norms and values that are shared by the members of a social group. This being so, when two parties carry out negotiation, they are accompanied by their culture, interests, priorities and negotiating strategies. One of the most relevant factors in international negotiation is the influence of culture on communication. Communication being a crucial component of negotiating activity, this component becomes more complex and potentially problematic due to the influence of culture on both parties' communication (Mintu-Wimsatt and Gassenheimer, 2000). After all, it is necessary to consider that an individual's cultural context is normally shown in the communication used in negotiation (Simintiras and Thomas, 1998).

In a country, culture can be defined by its national borders, and depending on the nation's size and origins, it can contain different sub-cultures (Kotabe and Helsen, 1998). These authors related the elements of culture that should be taken into account by international negotiators. They are: material aspect (technology used to produce, distribute and consume goods and services within the society), language (tool of communication and interpretation between people, which can be spoken or silent, through symbols or gestures, body language, face-toface contact and communication at a distance), social interaction (the way a society's people relate to each other and their group references), religion (which has a central role in many societies and refers to a community's set of beliefs), education (level and guality of education). and values (influencing attitudes in relation to objects and codes of behaviour).

According to Minervini (1991), there are many cultural variables to be considered in international negotiations: place, time, etiquette, protocol, sex, age, religion, education, history, hygiene, greetings, jokes, present-giving, politics, hospitality, superstition, language, attitudes, laws, values, social organization, body language, folklore, colour, body decoration, taboos related to food, music, ownership and status. In this context, for Mintu-Wimsatt and Gassenheimer (2000), concerning negotiators' personal characteristics, these can be culturally moulded. This means there may be interactions between personal characteristics and culture. The same occurs with gender and level of education. Two business negotiators are separated from each other not only by physical characteristics, a different language and the etiquette that applies to business, but also by a different way of perceiving the world, defining business goals, expressing thoughts and feelings, and showing or concealing motivations and interests (Herbig and Kramer, 1992).

Therefore, one of the factors for success in international negotiations is wide recognition of customs and behaviour that are acceptable and expected by a given social group in a country. In many cases, the relationship developed becomes more important than the signed contract itself (Oliveira, 2004). So the more international negotiators learn about other cultures, the more effective their negotiations will be. For Ferraro (1990), ignoring the cultural factors in negotiation can be costly, both in the short and long term, and may cause failed commercial transactions and even the breaking off of relationships, sometimes irreversibly. The fact is that the probability of errors of interpretation occurring increases greatly when parties are from different cultures.

As has already been observed, in international negotiations, ideas, expectations and knowledge can be culturally different in the parties. Discussion and communication can be prevented because the two sides think and act differently. When two people who think and behave differently try to communicate, there is more potential for disagreement and misunderstanding. Such as in cases where the implementation of a business agreement may be stressed by one culture whereas avoidance of practical problems is emphasized by another. In some cultures, more attention may be paid to people than to the specific details of the agreement, while others may focus on how to keep promises. Culture can lead people to see, or assess, differently the social interactions inherent in forming a business agreement (Herbig and Kramer, 1991).

Usunier (1996) identified that in an international commercial negotiation, some characteristics vary according to the negotiator's culture: the nature of the control structure and the decision-making process; reasons to trust or distrust the other party's behaviour; tolerance concerning ambiguities during the negotiation process; the negotiator's emotional needs. Problems with different cultures can limit opportunities for organizations in international business procedures and can contribute to failure in their international growth. To achieve success, companies must be better prepared; they need to improve their knowledge of other cultures, and should be willing to devote time and effort to the negotiation process. Time, effort and knowledge seem to improve the chances of success (Gulbro and Herbig, 1999).

Hendon et al. (1998) concluded that the issues to be considered before entering into international negotiations are cultural influences, cultural types and cultural variables. Concerning cultural influences, the biggest mistake made by negotiators is suppositions about the other party's culture, caused by little or no knowledge of the other side's culture. Regarding cultural types, these are convictions and behaviours that differ between cultures, which have a direct impact on negotiators' attitudes on both sides and must be understood by those looking for success in international negotiations. Cultural variables involve gender (mainly feminine), uncertainty and risk (especially trust), distance from power (influencing the decision-making process) and individualism (personal or collective interests), factors that change from one country to another, and which determine the negotiation process

between two different nations (the more different they are, the more marked the differences in these specific factors). To avoid problems, the negotiator must bear the culture factor in mind in all aspects involved in negotiation: the business purpose, matters to be dealt with, necessary protocols, means of communication between the parties, arguments to use (or not), criteria for trust on both sides, time and speed of the negotiation, use of intermediaries (lawyers, interpreters, specialists, experts and others), and the decision-making process. Extreme care is necessary in international negotiation.

Metcalf et al. (2007), seeking to lessen the complexity of the multiple factors involving culture in negotiations, combined various previous studies and presented a model with 12 dimensions aiming to characterize negotiators of a given country:

1. Basic concept of negotiation (integrative/distributive);

2. Form of negotiation (task-based/relationship-based);

3. Way of selecting negotiators (by skills/by status);

4. Influence of the negotiator's individual ambitions (individualism/collectivism);

5. Decision-making process (independent/consensus);

6. Time orientation (monochronological/polychrono-logical);

7. Risk tendency (opposed to risk/ risk tolerant);

8. Trust basis (external/internal);

9. Use of documentation (formal/informal);

10. Style of communication (high context/low context);

11. Nature of persuasion (effective-inductive/affective);

12. Form of agreement (explicit/implicit).

This model was based mainly on the studies by Acuff (1998), Hofstede (1980), Hall, (1976 and 1989), Janosik (1987), Schwartz (1994) Brett (2001) and other investigators dealing with the topic (Lewicki et al., 2006). The criticism of this model, made by Metcalf et al. (2007), is the bipolar characterization of nations' cultures, which stereotypes negotiators from a given country and does not capture the complexity of cultures and the social, economic and political contexts of that country. The authors conclude their study stating that various dimensions are not in fact bipolar, but multi-faceted.

Summarizing from assessment of the studies published on the influence of culture on international negotiations, we see that the models by Acuff (1998), Hofstede (1980) and Hall (1976 and 1989) predominate in research carried out by investigators in the field. Additional models seem to be derivations of these predominant models. These three models which are the basis for much current research into the influence of culture on international negotiations and which combine or complement each other in various aspects are summarily explained below and formed the basis for analysis of the Brazilian negotiator in the topic following the models.

# The Model by Frank Acuff (1998)

Acuff (1998) stated that, besides macro-economic factors

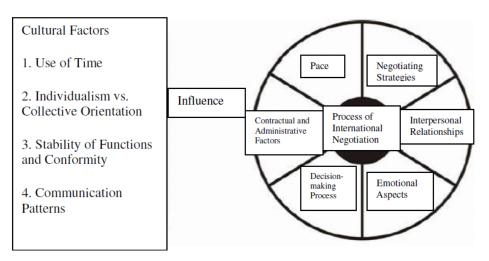


Figure 1. Model of Acuff (1998). Source: Bornhofen and Kistenmacher (2007, p. 4).

influencing international business, the cultural factor is relevant. For the author, use of time, individualism versus collective orientation, stability of functions and conformity, and communication patterns affect negotiations between cultures:

1. Factor of Time: use of time varies according to culture. While many cultures are very strict concerning timetables and the time available (considering it as a scarce resource), others do not give as much importance to the matter of time and delays are normal;

2. Factor of Individualism versus Collective Orientation: involves the question of "me" (individual) and "us" (group consciousness), which speeds up or delays decision-making;

3. Factor of Stability of Functions and Conformity: difference between cultures that value the way things are done (ritual, formality, process) and others that value content (the business itself);

4. Factor of Communication Patterns: clear and transparent communication, both verbal and non-verbal, has shown itself to be an essential aspect of international negotiations; it may be dense communication (direct, without underlying messages) or low (indirect, full of symbolism).

Considering these factors, the author concludes that: the pace of negotiations varies as a function of the country's culture; negotiation strategies are used differently; interpersonal relationships are based mainly on trust between the parties; emotional aspects are related to susceptibility, also determined by culture; the decisionmaking process varies according to culture; contractual and administrative matters also vary from one country to another. This relationship is presented in Figure 1.

Acuff (1998) goes on to say that the culture shock occurs when no familiar signs are found as to how to behave in different situations (how to greet people, how to address them, how to use words, for example). The author states that international negotiators go through four stages of adaptation to the other culture and situations in negotiation: excitement linked to the opportunity to work in another country with a different culture and anxiety about how to adapt to the new situation; discovering the differences between cultures; some disappointment regarding the points the negotiator considers critical in the culture of the country in which he finds himself; calmness and awareness of what can or cannot be achieved, considering the culture of the host country.

# The Model by Geert Hofstede, 1980

In his study, Hofstede (1997), in seeking to classify culture, describes and defines levels of culture:

1. National: according to the country an individual belongs to, lives in, or lived in previously;

2. Related to regional, ethnic, religious or linguistic attachment: many nations are formed of culturally

different groups regarding regional, ethnic, religious or linguistic aspects;

3. Related to gender: the fact of the individual being a man or a woman;

4. Related to generation: what separates grandparents from parents and parents from children;

5. Related to social class: associated with an individual's social origin, education and occupation or profession;

6. Regarding the workforce, an organizational or corporate level, according to how employees have been socialized by their work in the organization.

This classification demonstrates that cultural differences can be observed at different levels, in professions, classes and regions, but according to Oliveira (2004), there is emphasis on the national level due to the need to socialize in the international community. That is to say, an individual ends up knowing his own culture when he is confronted with other cultures.

Bearing in mind these questions, the model proposed by Hofstede (1997) considers the following factors:

1. Distance from power: this shows how much a society expects and accepts a high degree of inequality in institutions and organizations. Where there is great distance from power, organizations are characterized by the formation of hierarchies, where subordinates are reluctant to challenge their superiors. At the other extreme, with little distance from power, subordinates are consulted and the boss is more of a democrat;

2. Aversion to uncertainty: indicates the degree to which a society prefers security, forecasts and stability. With a high degree of this dimension, there is an emotional need for rules, both written and not written, and the certainty of stability. At the other extreme, there is greater will to accept risk, and uncertain situations are accepted;

3. Individualism versus collectivism: the extent to which people prefer to look after themselves and those closest to them, on one hand, and people who are concerned with the group as a whole on the other hand;

4. Male versus female: in male societies, values are more assertive, competitive and material, whereas in female societies, values such as friendship, quality of life, cooperation and partnership predominate;

5. Orientation towards the short term versus orientation towards the long term: the short term is characterized by the presence of values oriented towards the past and the present (solidness, personal stability and respect for tradition); while the long term emphasizes values oriented towards the future (perseverance).

For Gulbro and Herbig (1999), the dimensions of Geert Hofstede can have an impact on the methods used in negotiations, on each participant's expectations and on both parties' interpretation during each stage of the negotiation process, influencing the process and result of negotiations.

#### The Model by Edwin Hall, 1976 and 1989

Godinho and Macioski (2005) state that the approach to culture portrayed by Hall in 1976 is most widespread when studying international negotiations. Hall's model distinguishes high and low context cultures. In high context cultures, negotiations are characterized as being long, the necessary time being given to each task, with legal questions being seen as less important than a person's word which is the greatest commitment, and where people do not have a vital place. As for low context cultures, they are characterized by short negotiations, the legal aspect being most important, with more value given to the written word, and where people occupy a vital place. It is important to stress that high context cultures should not be confused with negotiation tactics, where decisions are delayed to increase power over the other party. Therefore, a more detailed analysis of the local culture will prevent this confusion.

Continuing his studies, Hall (1989) extends his theory on low and high context cultures. This dichotomy provides elements for recognition of differences in communication during the interaction between buyers and sellers in the negotiation process. In high context cultures, nonverbal behaviour stands out (voice, posture, gestures, body language, facial expressions, use of silence), and people in this type of culture are very careful and specific in the way they interact and communicate. On the contrary, low context cultures use language and communication as a utilitarian activity, as what is communicated is described explicitly (indirect messages and personal formalities are not appreciated, and there is even less need for close relationships and trust for effective communication).

Another finding by Hall (1989) was orientation towards time, which varies considerably between cultures. Hall defines cultures as monochronological and polychronological:

1. In monochronological cultures, time is seen as something tangible. So timetables and appointments are taken very seriously, even in social and family life. In monochronological orientation, people give high value to planning, solving problems step by step and final calendars, and are generally proud of their own efficiency, carrying out their activities in a linear fashion;

2. On the other hand, polychronological cultures do not see time as so important in their activities, since human contact and personal relationships are more important than agenda or plans. Time is characterized as something relative, with many activities taking place at the same time and continuing until they finish, even if this means failing to meet pre-established deadlines.

#### Brazil and the culture of its negotiators

#### METHODOLOGY

Studies about the influence of Brazilian culture on business between Brazil and other countries are not particularly numerous. Those identified include Brazilian negotiators, but no study relates the findings of previous research to the investigation carried out. This shows the unconnected nature of studies on the same topic.

Thus, we carried out a documentary survey, using as data sources the previous studies on the culture factor in international negotiations involving Brazil. This type of research is characterized by being descriptive; with the use of secondary data, and with the objective of congregating in a single work the findings of several different and dispersed studies.

It was conducted an extensive search in scientific databases, both in Brazilian and in international databases. We found 14 studies that addressed the culture of the Brazilian negotiator in international business (1990 to 2008) (Herbig and Kramer, 1992; Simintiras and Thomas, 1998; Gulbro and Herbig, 1999; Panosso and Nique, 2000, Machado and Martinelli, 2001; Elahee et al., 2002; Floriani, 2002, Almeida et al., 2004; Oliveira, 2004; Macioski and Godinho, 2005; Bornhofen and Kistenmacher, 2007; Hendon, 2007; Ventura and Martinelli, 2008; Volkema and Rivers, 2008). After obtaining the complete contents of previous researches, all the studies have been extensively analyzed in order to identify the model used to determine the culture of the Brazilian negotiator. It was observed that the majority (nine studies) used Acuff model (1998), three have used the Hofstede (1980) model and only one used Hall (1976) model.

After the identification of the model used, we analyzed the results obtained across studies, which allowed the characterization of Brazilian negotiator regarding international negotiations. The analysis followed the assumptions of content analysis, using as codes the variables of each model.

#### Data analysis

Seeking to combine all these earlier studies, an analysis was made of the results found in the named studies according to the models presented above. The first step was to characterize Brazil very briefly (adapted from Oliveira, 2004, and updated by the author of this study):

1. Area: 8,547,403.5 Km<sup>2</sup>

2. Population: around 183.9 million inhabitants

3. Population's origins: White (55% of the population of diverse origin), mixed race (38%), black (6%);

4. Religion: Catholicism (90%);

5.Currency: Real;

6. GNP (gross national product): approximately US\$ 2,000,000,000,000.00;

7. Political Situation: Democratic Presidential Regime, stable for the past 20 years;

8. Economic Situation: A stable market economy for the last 15 years, with good macro-economic indicators (inflation, currency value and others);

9. Social Situation: Great concentration of income and high inequality;

10. Main Commercial Partners: European Union and United States of America;

11. Economic Activities: Agriculture, Industry, Services, rich in natural resources;

12. Main Cities: São Paulo, Rio de Janeiro, Brasília (capital), Belo Horizonte;

This simplified characterization served to show just some aspects of a large and highly complex country. The cultural diversity of a country like Brazil makes it a unique case in terms of international negotiations as the cultural factors involved in business between foreigners and Brazilians are diverse and vary from one region to another (Volkema and Rivers, 2008).

Considering the models by Frank Acuff, Geert Hofstede and Edwin Hall and studies about Brazilian culture in international negotiations, the Brazilian negotiator can be portrayed, providing an important orientation for foreigners who see good business opportunities in the country:

#### Model by Frank Acuff

1. Factor of Time: this factor has regional variations; in the South and South-West of Brazil, timetabling is very important; in regions such as the North-East, this question is less important;

2. Factor of Individualism versus Collective Orientation: in general, individualism predominates in Brazil;

3. Factor of stability of functions and conformity: once again there is a difference between the North and South of Brazil; while in more southerly regions the content of negotiations is most important, in the North-East and much of the South-East what counts is the process;

4. Factor of Communication Patterns: nearly always, communication in Brazil is quite indirect, with the use of symbolism and non-verbal language;

5. Pace of Negotiations: normally very bureaucratic and slow, negotiations in Brazil tend to advance slowly;

6. Negotiation Strategies: Brazil is characterized by much conversation, many papers and many meetings;

7. Interpersonal Relationships: one of the principle traits of the Brazilian people, interpersonal relationships, whatever the region, are fundamental for building trust between parties, and practically define the course of negotiations with Brazilians;

8. Emotional Aspects: in Brazil, emotion plays an important role as Brazilians are much less rational than Anglo-Saxons and the emotional aspects involved in a negotiation are relevant in determining its outcome;

9. Decision-making Process: in general, the decisionmaking process in Brazil is slow and very bureaucratic, full of formalities and many approvals are needed before an agreement is reached;

10. Contractual and Administrative Matters: as in the previous item, i.e., slowness, bureaucracy and formality, besides that fact that Brazilian legislation is complex and changes frequently;

11. Model by Geert Hofstede:

12. Distance from Power: Brazilian organizations usually have a strict hierarchy, meaning that negotiators can seldom make a decision on their own;

13. Aversion to Uncertainty: although not uniform in the studies analyzed, the tendency is to consider the

Brazilian averse to risk and uncertain situations;

14. Individualism versus Collectivism: the Brazilian negotiator is generally very much an individualist;

15. Male versus Female: another factor which differs according to the region of Brazil; in northern regions, the overriding tendency is for females to dominate; the opposite tendency – male – dominates in the south;

16. Orientation towards the short term versus orientation towards the long term: another point of discordance among investigators; most studies consider the Brazilian negotiator as oriented towards the short term, possibly due to the history of instability in the country;

17. Model by Edwin Hall:

18. Low or High Context Culture: in Brazil, high context is

the predominant characteristic when considering Hall's model;

19. Monochronological or Polychronological Culture: in this case, regions in the South of Brazil are quite monochronological; on the contrary, the further north we go, the greater the polychronological tendency.

In general, this was the sum of results found by investigators who attempted to characterize the influence of culture on the Brazilian negotiator. None of the studies analyzed used the three models presented here together. Only combining the investigations already carried out was it possible to form a cultural characterization of the Brazilian negotiator in the models predominating in the literature focusing on the influence of culture on international negotiations. The findings of these studies highlight the non-uniformity, in national terms, of the Brazilian negotiator. Despite the points in common, the cultural diversity in Brazil leads to the existence of numerous profiles of Brazilian negotiators, depending on the region in which these negotiators live or where they come from, according to the negotiator's ethnic origin and the local customs in a country made up of multiple cultures. Establishing a single profile of the Brazilian negotiator tends to lead to error.

#### **RECOMMENDATIONS TO FOREIGN NEGOTIATORS**

This characterization of the Brazilian negotiator provides some orientations for foreign negotiators who wish to do business in Brazil. These recommendations also arose from research already carried out on the subject (Herbig and Kramer, 1992; Simintiras and Thomas, 1998; Gulbro and Herbig, 1999; Panosso and Nique, 2000; Machado and Martinelli, 2001; Elahee et al., 2002; Floriani, 2002; Almeida et al., 2004; Oliveira, 2004; Godinho and Macioski, 2005; Bornhofen and Kistenmacher, 2007; Hendon, 2007; Ventura and Martinelli, 2008; Volkema and Rivers, 2008).

The followings are suggested for negotiating with Brazil, regarding the cultural aspect:

1. The first step is to know which region of Brazil is being dealt with, since each has its own culture, mainly due to the very diverse origins of the people (Machado and Martinelli, 2001; Floriani, 2002; Oliveira, 2004);

2. Thorough knowledge of the geographical, demographic, social, economic and political aspects related specifically to the region where business is to be done, as Brazil is a country of great inequalities with both very rich and very poor regions (Herbig and Kramer, 1992; Floriani, 2002; Almeida et al., 2004);

3. According to the findings of Machado and Martinelli (2001), it is necessary to learn Portuguese, since in most of the country no other language is spoken (although, this has been changing in recent years and it is now possible to negotiate in English in some regions); 4. Brazil should not be confused with Argentina, as this could be provocative, the countries having a history of rivalry (Oliveira, 2004);

5. According to Almeida et al. (2004), greetings should be effusive, as Brazilians are considerably synthetic, they appreciate physical contact (except in regions where the foreign culture still prevails, such as areas settled by Germans, Japanese and others);

6. Find out in advance about the matter of timetables, which varies greatly according to the region of Brazil (Bornhofen and Kistenmacher, 2007; Hendon, 2007);

7. According to Volkema and Rivers (2008), be prepared for long conversations that have nothing to do with the negotiation itself (but which allow both sides to get to know each other);

8. Football is a common subject of conversation, whereas politics and religion are not appreciated topics (Oliveira, 2004; Godinho and Macioski, 2005);

9. According to Herbig and Kramer (1992) and Ventura and Martinelli (2008), it is fundamental to prepare concessions since the Brazilian likes to negotiate and hates impositions or objectivity (which may be confused with arrogance);

10. Focus on establishing personal relationships since the Brazilian is open to and favours interpersonal relationships (Herbig and Kramer, 1992; Hendon, 2007);

11. Legal, tax, and judiciary matters should be accompanied by a local partner due to the great complexity (Simintiras and Thomas, 1998; Elahee et al., 2002);

12. Agreements are formalized in writing (Simintiras and Thomas, 1998; Elahee et al., 2002);

13. According to Panosso and Nique (2000), many negotiations between foreigners and Brazilians fail due to prejudice felt against Brazil (violence, poverty, laziness, dishonesty and others);

14. Negotiation strategies should be very subtle and avoid pressurizing the other party, as the Brazilian does not like to be put under pressure (Gulbro and Herbig, 1999);

15. The Brazilian tends to be resentful, that is, a bad deal can harm a long-standing relationship and put an end to any future possibility (Panosso and Nique, 2000; Hendon, 2007).

This set of recommendations, present in the various investigations that originated this study, can be summarized in four basic recommendations: before negotiating with Brazil, the foreign negotiator should be prepared to learn about the country; the negotiator must realize that his culture differs from Brazilian culture; as far as possible, the negotiator should be culturally neutral; finally, the negotiator should be very sensitive to Brazilian cultural norms (Herbig and Kramer, 1992).

# **Final considerations**

Aiming to highlight aspects of Brazilian culture in negotiators from that country which influences international negotiations, this study combined previous investigations attempting to characterize the Brazilian negotiator in terms of culture. Setting out from various unconnected studies, the main contribution of this study was to unite previous findings in a single characterization that seeks to define how the Brazilian negotiator is influenced by his culture.

A general characterization was made, despite points of divergence being found in earlier research. These differences can be explained by the size of Brazil and by the multiple origins of the Brazilian people, leading us to consider that the country's culture is complex and multifaceted; and therefore a challenge for international negotiators. Being a large market and a country in rapid development, Brazil is seen as a good business opportunity for foreign companies. However, the secret of doing good business involves having thorough knowledge of the cultural questions governing negotiations between Brazilians and foreigners.

As for the limitations of this study, the main one is the scarcity of studies dealing specifically with the Brazilian negotiator. The great majority of studies are comparative, or treat Brazil as part of a group (despite being sufficiently big to be a single unit). Continuity of the study begun here is therefore recommended, with preparation of questionnaires that may confirm (or not) the cultural characteristics of Brazilian negotiators when in contact with foreign negotiators. Only empirical confirmation, with a representative sample, can establish a general profile of the Brazilian negotiator; something still missing from the literature.

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