

Business Negotiations between Romanians and Germans - a Cross-cultural Perspective

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Abstract

The article aims at discovering how German employers act in a Romanian business environment compared to Romanian employers. After a brief presentation of the two country's different business cultures, it includes a case study based on an interview where people of these nationalities were asked the same questions. The interpretations of the answers reveals that differences between the two cultures tend to diminish when their representatives work together in a common environment.

Keywords: *business negotiation, business culture, national culture, qualitative research, Germany, Romania*

Introduction

Germany, the heart of Europe, has always been a subject to many controversial topics throughout history. Yet, it is one of the strongest and most efficient nations of all times, having at the same time a special charm. Being in touch with them, building business connections and friendships brought me to the conclusion that, despite their inflexible attitude, objectivity and individualism they always proved great negotiating skills. You will not see them becoming softer and more relaxed with regards to rules and regulations which were previously written in stone, but once you step into their culture you will see that they are professionals and ideally suited to international exchanges.

The reason why I have chosen Germans was first of all the language, it seemed fascinating and also intriguing to me, then I discovered why they have such a great economy, which made me realize that they are the perfect culture to analyze.

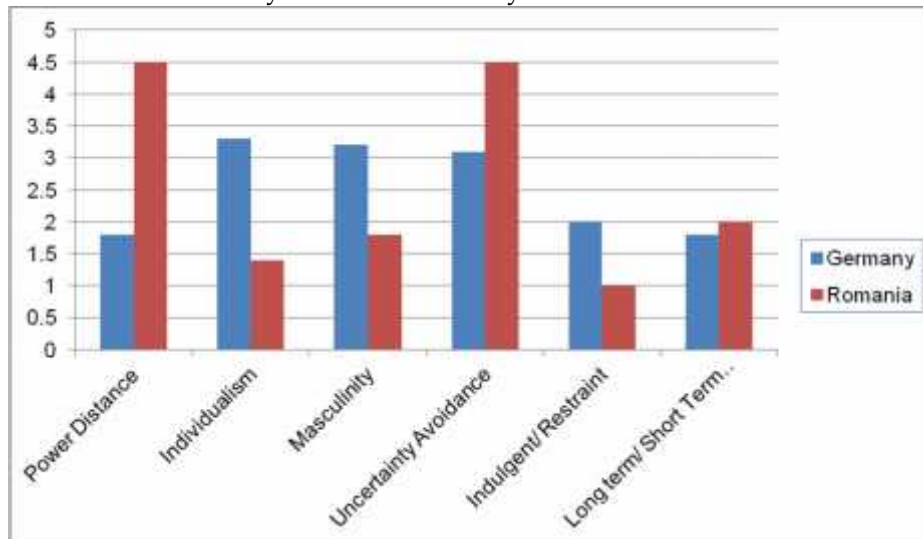
The goal of this study is to explore how employers of German nationality act in a Romanian background, how they all adapt in this business environment, when they have to deal with cultural differences. It is already known that there are significant differences between the Romanians and the Germans regarding power distance, level of formalism,

taboos, and characteristics founded between any two cultures, but, in my opinion, this can be considered the beauty of exploring cultures.

I used a qualitative research method, consisting in two interviews taken to a German manager that has connections with Romanian business people, and to a Romanian business person that works in a German company. The purpose of the interviews was to discover the cultural differences that they had encountered during their experience and the solutions founded to break a barrier in order to obtain successful deals. Primary data were collected and briefly analyzed according to the literature, in order to understand why culture is so important while negotiating and to find out why Germans have such successful business in our country despite the barriers encountered.

Cultural Impact on Negotiation between Romania and Germany

If we are to consider Hofstede's dimension of national cultures, Romania and Germany differ consistently as shown in the table below:



Comparative Analysis of Romanians and Germans according to Hofstede

However, we have to realize that besides the cultural aspects of descent one's negotiation style is also defined to a great extent by a set of individual factors, like: temperament, personality, education, social etiquette, background and experience, facts that mixed together lead us to the point, the impact of culture on negotiation.

Drawing a comparison regarding the impact of the both cultures in business lead me to the idea that a Romanian negotiator will make a moderate use of para- and nonverbal communication tools, his gestures, body and facial movements, voice variations being more intense than for instance in reserved cultures. The opponent's visual contact will be sought, otherwise, his/her intentions will not considered honest, he/she will seem to have something to hide. At the same time Romanian business people will keep moderate distance in their professional relations without invading the counterpart's private space. Men use to shake hands constantly: when they are introduced, when they leave, and every time they meet. They may kiss each other on both cheeks.

On the other side, Germans' reserved attitude is manifested both in verbal and para- respectively nonverbal communication in a moderate use of gestures, movements and body language. In Germany it is an accepted practice to look your counterpart in the eye, thereby signaling that you are fully concentrating on the person and the topic of the conversation.¹ 'Shifty' eyes are perceived as a sign of secretiveness, insincerity or even falsity, but they do not have to stare at the counterpart. This is equally unacceptable in Germany. When sitting, it is preferred to cross one knee over the other, rather than resting the ankle over one knee.

The behavior regarding punctuality and appointments is almost equal in both countries. The Romanians tend to be very punctual, but nowhere in this world is punctuality more important than in Germany. Arriving just four or five minutes late can be insulting to a German executive, especially if the other is in a subordinate position. Appointments should be made in advance. It should be given at least one week's notice for an appointment made by telephone. It is not recommended to schedule appointments on Friday afternoons, because some offices close by 2:00 or 3:00 pm.²

While negotiating, the Germans use methodical planning. Every aspect of the deal will be carefully examined by various executives, but once a decision is made, it is unchangeable. This is why they do not hurry when it comes to delivery dates. Germans may not socialize before getting down to

¹ Aksana Kavalchuk Cross-Cultural Management: How to Do Business with Germans", Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, 2012, p. 66

² Terri Morrison, Wayne A. Conaway, Kiss, Bow, Or Shake Hands: The Bestselling Guide to Doing Business in More Than 60 Countries, 2006, 2nd Edition, Adams Media, p. 182/412

work, being quite possible that a business meeting can start immediately after introducing.³ Asking personal questions to a German executive must be avoided, family and personal life being separate from work.

On the other hand, patience is necessary in order to establish business contacts in Romania. Even if the process may seem quite slow, one can expect to continue the relationship for a very long time. The Romanians like socializing before and after the meeting, family being a frequently discussed subject for them.

Regarding business entertaining, the Germans prefer lunch meetings, breakfast meetings being somehow uncommon for them. But one must be aware that businesses must be discussed before or after the meal, never during the meal itself. Germans do not often entertain business associates in their home, this being considerate an honor if it happens. Romanians instead, will do the majority of the entertaining⁴. Business lunches last at least two hours and involve the consumption of alcohol.

Taking a look back at the differences and similarities found between the Romanian and the German cultures, and the connections that these countries have, we can conclude that even if we are not acting and behaving the same, by understanding our cultural particularities we can somehow find a way to interact.

The Interviews

The interviews were based on a questionnaire whose purpose was to analyze the personal style of both cultures, the goal of the negotiation and time sensitivity and took place at the respondent's work place. In this way respondents felt relaxed and more comfortable to openly express their thoughts, feelings and experiences. Each participant was asked a series of seven questions and probed to offer examples to support their answers. Each question was explained and discussed so as to be fully understood by the respondents. During the interviews, I took notes on the non verbal signs of the respondents, such as body language, tone of voice, attitude, as well as of my personal feelings during this encounter. After the interviews, I not only analyzed the respondents' answers, but also the reactions I experienced during the talks. The questions were divided into the categories intercultural engagement, negotiating process, intercultural

³ Terri Morrison, Wayne A., *op. cit.*, p. 187

⁴ *Ibidem* p. 413

communication and understanding. At the interview proceeded, the interviewer was free to also ask questions not listed in the interview guide in order to gain a deeper knowledge and understanding of the dissertation subject. The interviews were conducted in German, English and respectively Romanian in order to avoid any misunderstandings and to be able to perceive the verbal and non verbal communication. The in-depth interview lasted approximately 25 minutes.

For each question asked data is shown in the tables. It will then be analyzed in two ways:

1. The data between the respondents from the same culture will be compared
2. The data from the two different cultures will then be compared

Further on, I will write and explain each of the interview questions in order to obtain a better understanding of the research.

Q1. Which position do you hold in the company?

This question is relevant to the interview guideline so that we can explore if and how the position in the company of the respondent has an influence on the business negotiating process.

Q2. When you are participating at a business negotiation do you put value on time? Do you like to be always punctual?

This question asks about the differences between monochronic and polychronic countries highlighted at a negotiation table and their view regarding this aspect.

Q3. What is your negotiating goal contract or relationship? For example when you are at the negotiation table do you get straight to business or do you like to have a general chat first in order to create a relationship?

This question is relevant for the interview guideline because we have to understand what the cultural characteristics on which the respective person is relying regarding the type of business relation are.

Q4. What kind of emotions, beliefs, norms and values can be presented when negotiating? Are they important in the negotiation?

This question asks directly the person interviewed about his beliefs and feelings shared during negotiating.

Q5. What is your behaviour when participating in a business negotiation? Do you like to get close and personal? (eg. greet with a hug,

shake hands?) Is it important for you to present yourself in a formal or informal wear?

This question will help us to find out if the respective culture puts value on formality or they have a more relaxed attitude regarding this aspect.

Q6. Can you describe the pros and the cons when negotiating with Germany/Romania? What separates the Romanians from the German culture?

This question is relevant for the interview guideline, so that we can explore if there are any motivational or de-motivational factors the respondent has when negotiating with Romania/Germany and how these influence the business negotiating process.

Q7. How do you prepare yourself before the main negotiation?

This question is relevant for the interview guideline, so that we can explore if and how the respondent prepares before conducting the main business negotiations

Respondent details

Responses to question one

German	Romanian
Respondent 1 Job Title: International Sales Director Gender: Male Age: 45	Respondent 3 Job Title : Executive Director of a Leasing Company Gender: Male Age: 34
Respondent 2 Job Title: Executive Manager of a Hotel Chain Gender: Female Age: 40	Respondent 4 Job Title: Human Resources Manager Gender: Female Age: 30

The purpose of question two is to help identify the difference between the Romanian and the German attitudes towards time. Sensitivity to time refers to how important attending a meeting on time is to the Romanian and the German respondents and whether it is important to stick to the scheduled meeting time or not.

Question 2. Sensitivity to time

German Business Managers	Romanian Business Managers
Respondent 1 "I appreciate a lot o person who is	Respondent 3 "From my own experience,

German Business Managers	Romanian Business Managers
<p>punctual. I think it a proof of education at least. If my partner is being late I want to hear his motivation and then I will draw a conclusion. If the delay is not justified I won't perceive him well as a business partner. I might even cancel the meeting because "Time is money". "</p>	<p>Germans are extremely punctual. It is hard to believe that an unpunctual person can gain your trust. This applies to both cultures. I also value punctuality; I cannot start a business with a person that is not serious since the beginning, the ethnic background does not matter.</p>
<p>Respondent 2 "Absolutely. Punctuality shows that you are dedicated to the job, interested in the work and capable of handling responsibility. Punctuality may help you achieve advancement and success. Lack of punctuality not only affects your business, it affects the people in it. So when leaders are late, it sends an irresponsible message to employees, which may lower the level."</p>	<p>Respondent 4 "Time is a very sensitive issue to me. I consider that punctuality is one of the first qualities I look at, when it comes to an individual and his eagerness to build a trustworthy relationship. You can always count on a person who is on time! Therefore, I always make sure to arrive in time or at least ten minutes before the programmed meaning. Time is precious and it should be valued so."</p>

There are strong similarities between the Romanian and the German cultures regarding time. Both prefer to be on time at a business meeting and they expect the same treatment from the counterpart. If we make a comparison between Romanian and German responses we notice that both entities are highly-time sensitive when it comes to being punctual, none of them would make a compromise there.

The purpose of question three is to identify what is most important to the respondent. For some cultures, the primary goal of negotiations is to reach a deal and sign a contract, while other cultures view it as the establishment of a long term relationship between the parties which will eventually lead to a contract.

Question 3. Negotiation Goal

German Business Managers	Romanian Business Managers
<p>Respondent 1 “Especially in sales you have to create a connection between the parts, hobbies, home city. And after that we can move to business. This is because of the American system used all over the world. In the last few years, even our mentality has changed, it now depends on the field.”</p>	<p>Respondent 3 “This depends on the person involved. If it is a very busy one, then I get straight to business. Otherwise, a general chat creates a relationship between negotiators. But generally I try to connect to people; I believe that strong relationships create long business connections.”</p>
<p>Respondent 2 “I do not bother wasting no one’s time asking them about their personal business, as personally I just like to get straight down to business. I am highly experienced in the business industry and I know what is best for my business which is to get straight down to business as time is precious. “</p>	<p>Respondent 4 “First of all, you cannot start a business meeting without exchanging a few words with your counterpart. You need to know your limits certainly but it is very important to release any trace of stress through a little chit-chat. Why not bond?! We may become long-term partners if all goes as promised.”</p>

Regarding the negotiation goal, there are some differences between the Romanian and the German culture. Most of the Germans prefer to get straight to business, establishing a relationship just if it is necessary, while Romanians always put relationships before business. We also have different options among Germans, some of them are sober and rigid since the beginning, other still want to create a connection between parts.

Questions four seeks to identify the role that emotions play during a business negotiation, if they really matter and how they influence a negotiation.

Question 4. The role of emotions during a negotiation

German Business Managers	Romanian Business Managers
<p>Respondent 1 “Hmmm...Good question. A German is less emotional during a negotiation, except for the moment when he presents his product, which requires involvement. I truly believe in my product and in its quality, made in Germany. I believe that during a negotiation you have to be credible, correct, honest and well educated. “</p>	<p>Respondent 3 “The attitude should be one of security, trust, honesty and firmness. There are emotions and values that always should be shown. I often show my emotions especially when I am sure about the nature of the business, if there is a solid one. It is important for me to behave naturally. “</p>
<p>Respondent 2 “Hmm ...if we are talking about values then yes, it is important to act with the highest ethical standards and also treat others fairly and with respect. Emotions are also important during the negotiation time but I don't let myself trapped in it because in this kind of business you need to have the ability to spot the issues and opportunities before others. You need to hold on to your standards and your goal, only then you will be able to achieve it.”</p>	<p>Respondent 4 “It is very important to learn about one’s culture and traditions before dealing with him/her. I tend to read a lot and get informed before every meeting in order to avoid any misunderstandings or topics which might offend one’s feelings and pride. Being secure and polite is a certain way to get things going your way.”</p>

Regarding the values, norms, emotions shown during a negotiation both cultures have the same principles. They value honesty, punctuality, credibility. Germans tend to be less emotional when it comes to business, they believe that certain feelings are useless especially in negotiations where you have to use just your judgment and nothing more. Otherwise, Romanians believe that emotions play an important role in achieving a goal, the more enthusiastic you are the better the result is.

The purpose of question five is to enable respondents to openly

express their opinion on whether they think behaviour, body language and style are important factors to consider when conducting cross-cultural business negotiations.

Question 5. Behaviour matters

German Business Managers	Romanian Business Managers
<p>Respondent 1 “Well, first of all when I meet a business partner I never get too close. We shake hands, exchange our business cards and we start a small talk, usually about the flight. Oh, and eye contact, is a very important aspect. Otherwise, you prove lack of respect. Even if the Germans tend to be very formal since the beginning, there are situations when we do not go straight to business. When a business relation is already established and we had already met each other several times, we may change some words about common interests, hobbies and so on. Regarding dressing wear, we always wear formal clothes, dark suits, and the women dress elegantly and soberly.”</p>	<p>Respondent 3 “I believe that it is very important to try to behave as the other expects you to. I prefer to have information about the culture I am dealing with. Usually I prefer to be formal in the first meeting. After a while things will go in a way or other. Dressing properly is a form of respect for the other person; I personally wear dark suits and white shirts.”</p>
<p>Respondent 2 “I would definitely go for formal wear. I don't know how it goes for others but I am usually very formal...you have no choice otherwise it would not be called business. You can shake hands afterwards when the offer has been agreed from both sides.”</p>	<p>Respondent 4 “I always shake hands with my partners and smile discretely, dress formally. Preferably, a dress above the knees of dark colour. Getting close and personal may be done only with friends or long-term partners who you have known for a long time, it is not advisable to do so</p>

German Business Managers	Romanian Business Managers
	during your first meeting with a potential associate. Elegant is the right word to describe my behavior throughout a business negotiation.”

Regarding the behaviour and body language during business negotiations, we can notice that there are not big differences between the Romanian and the German business people. Both cultures prefer being formal, dress properly, discreet hand shakes and straight eye contact. They act professionally no matter what the level of the meeting is. The Romanians expect sometimes to create long business relationships, reason for which after a while they get close and personal with business partners.

The purpose of question six is to identify why the respondents choose Romania/ Germany to do business with. In this way we can find out the advantages and disadvantages when negotiating with those countries.

Question 6. Culture matters

German Business Managers	Romanian Business Managers
<p>Respondent 1 “I would say that Romanians have good production prices, well prepared staff, European mentality, good infrastructure, the roads became well structured in the past years, yes, there are good aspects. If you want to sell you must have good price and to rely on made in Germany. If you want to buy, Romania has quality products, Dacia is well sold in Germany, and 80% of Dacia products are sold abroad. And it is easier doing business with Romanians, there is an ethnic group of Germans here, we can still use our language. As disadvantages I would</p>	<p>Respondent 3 “The pro is that they are very fair, I prefer doing business with a German, he will respect his words. The disadvantage is that they are very strict. The main difference between the German culture and the Romanian culture is that on the one hand Romanian people do something only because this must be done, on the other, Germans try to do their best to succeed.”</p>

German Business Managers	Romanian Business Managers
specify Romanian mentality, the Latin mentality, the lack of punctuality, the bureaucracy, instability regarding the law, staff fluctuation in companies and the prices that are changing all the time.”	
<p>Respondent 2 “If I were to describe the pros when negotiating with Romania, I would refer to maturity and strong management skills. On the other hand, when talking about the cons I will mention the following: Romania offers less, is afraid to negotiate at high levels and to take risks. Romania is different from Germany in terms of economy which makes a big difference. Starting from here the way of thinking seems to be different and when it comes to negotiations it makes it a lot harder. In some situations they may be affective but sometimes not.”</p>	<p>Respondent 4 “Personally, I believe that Germans are too cold-blooded for the Romanian environment. Although they are a hard-working and reliable nation to count on, this wave of ice they reflect is pretty unpleasant and creates a tensed atmosphere at a point. Romanians are direct persons as well, yet much more emotional than Germans would ever be! “</p>

Regarding the reason why both cultures choose to work with each other, their answers were quite interesting. The Germans prefer working with the Romanians because of their strong management skills, good production prices and European mentality. But the negative aspects are not missing. They disagree regarding our uncertainty, bureaucracy and the most relevant aspect, the staff turnover. The Romanians rely on German’s professionalism, fairness and good behaviour. On the other hand, they are not so excited about their cold attitude and strictness.

The purpose of question 7 is to show the importance of the preparations before the meetings and their impact on the main negotiation.

Question 7. Being prepared is the key

German Business Managers	Romanian Business Managers
<p>Respondent 1 "Personally, I am always prepared before a business negotiation. I am searching information about the company, about the market and about the person I will be talking to. I will also have a brief presentation about my company and my products; I am getting involved in the selling activity."</p>	<p>Respondent 3 "I prefer to prepare the subject of discussion and after that, if I have time enough, I will try to find more information about the negotiator. But my attitude will count a lot during the meeting, I am well prepared and this is shown through my formality and the accuracy with which I develop my ideas throughout the meeting, adapting to the context."</p>
<p>Respondent 2 "First of all I make sure I am positive enough that day. I am always willing to be accountable, liable and answerable for my decisions, so the best is to know what you want and you must be ready to get it."</p>	<p>Respondent 4 "As I stated before, I enjoy reading and preparing myself for a negotiation. I also do take notes of the main objectives I would like to achieve, the best I can get from a person and I raise my standards always. Honestly, being natural and open is the best preparation."</p>

Conclusions

From the statements made by the respondents, we can see that there are interesting aspects about the German culture that have changed over time.

First of all, regarding the negotiating goal, generally speaking, we already know that Germans are direct and sober, they have a specific behaviour. Yet, some of them changed their mentality, they became softer, started using the American system: "Especially in sales you have to create a connection between the parts, hobbies, home city. And after that we can move to business. This is because of the American system used all over the world. In the last few years, even our mentality has changed, it now depends on the field." This is an important step forward they have made; they are not so "cold-blooded" anymore. Because of this relevant change it became easier to do business with the Romanians. We started creating new connections that are developing more and more especially in the retail

field. The Romanians consider that you could not be involved in a business without showing any emotions, it will be a total failure, you could not sell a product or a service if you are not emotionally involved by showing how much the quality of the product is relevant to you.

Another observation spotted from the statements made by our respondents is related to the behaviour presented during a negotiation. Among Germans there have been also some changes regarding the way they behave before the main negotiation. "Even if the Germans tend to be very formal since the beginning, there are situations when we do not go straight to business. When a business relation is already established and we had already met each other several times, we may change some words about common interest, hobbies and so on. "In this case, they are like us, we share the same principle with our business partners, if they are fair with us and respect their terms the connections will be strong in time.

The results of our comparative analysis show that the German and the Romanian business culture have very much in common; all of them are business oriented, time-conscious, not very fond of physical contact, but also differences.

Both cultures prefer being formal, dress properly, discreet hand shakes and straight eye contact. Valuing also punctuality, they prefer being on time at a business meeting and they expect the same treatment from the counterpart, an important key point in any kind of cooperation. They do their best to be as prepared as possible before a negotiation, reading about the company, their counterpart and the specific field.

According to our interviews questionnaire, their goals may be sometimes different, Romanians value friendship and business relations based on friendship, believing that this is the only way to create connections for a long period, and Germans prefer not wasting their precious time on useless discussions, they just like being task oriented. Also Germans prefer going straight to business, while Romanians prefer having discussions about soccer, politics, and history.

Furthermore, the data presented indicated that negotiating styles can be influenced by other factors besides culture, including personality, bureaucracy, business experience, age, gender and sex and the nature of the transaction under negotiation.

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