INTERCULTURAL NEGOTIATIONS IN MEXICO CITY[1]

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ABSTRACT

Joe Vicks was a young, capable, hungry, American who was charged with introducing his company´s product line to retailers in Mexico. The case presents Joe's enigmatic experiences during his first month, as he attempts to understand Mexican negotiation patterns and ways to handle them. The case presents five testimonies about the negotiation experiences of foreigners and Mexicans. By presenting a diversity of perspectives and experiences, the case challenges readers to develop a synthesis of the negotiation culture in the region – that is, the customs, attitudes, beliefs, and most common actions that one encounters when negotiating or solving differences in Mexico.

Key words: negotiations, Mexico, culture.

TEACHING NOTE

Use of the Case:

The case can be used for MBA and executive education courses: A) a negotiations workshop; B) how to do business in Mexico (or Latin America); C) a module on Latin American culture; D) a cross-cultural seminar; E) a module about entry plans in Mexico or Latin America; F) a module about marketing strategies. This teaching plan was prepared for a cross-cultural negotiations module.

Learning Objectives of the Case*:*

Reading and discussion of the case offer students the opportunity to learn the following: A) The concept of negotiation culture in a practical, applied setting; B) The concept of negotiation strategy, which includes understanding options and predicting outcomes of each option, analyzing interactions, and defining goals and tactics to deal with the behaviors of negotiation counterparts; C) The negotiation culture of Mexico, through relative or contingent understanding. If the case is discussed in a Mexican environment, the discussion may lead to possible sources and purposes of this negotiation culture.. If the students are not from Mexico, another possibility is to understand the results from one of the frameworks for the study of cultures, or from a deep and more holistic study and understanding of the Mexican culture. The case provides an Appendix on the values of Mexico, but some readings (e.g. Hall, Hofstede, Globe, Schwartz, Inglehart, Hamden & Trompenaars) and socioeconomic data can be used to provide a context for explaining, predicting or setting a strategy of negotiations in the country; D) How to negotiate in Mexico, and what are the options to reply to the negotiation patterns most common in this country; E) To develop capacities and attitudes about cross cultural relations.

Process of the Session (For an 80 minute class):

The concept of negotiation culture (5 minutes). Descriptions of the negotiation patterns in Mexico (20 minutes). Analysis of advantages and limitations of each pattern, from a negotiation effectiveness perspective (10 minutes). Possible causes of such patterns (15 minutes), including historical interpretations, family structure, school systems, and other socialization agents of cultures. Options to reply to each negotiation pattern (20 minutes). Conclusions: a negotiation strategy for Joe Vicks (10 minutes).

[1] This is a case prepared for class discussion and not as an example of good or bad practices. Cladea conference, 2017. Confidential. Do not copy. Do not circulate.

Questions for Class Discussion:

What do you understand as a "negotiation culture"? Is it different from a stereotype? What is, according to the case, the negotiation culture of Mexico? What are the main differences or perspectives among the interviews? What are the sequence, the script, and the steps of a negotiation process most commonly found in Mexico? Why do you think they negotiate in such a way in Mexico? (Value system, family, school, work environments influencing the development of shared patterns) Is it an effective way of negotiating? Strengths? Weaknesses? (Why?) Let's see the process described previously: what could you do to reply effectively in each step of the process? What advice would you provide to a foreigner going to negotiate in Mexico? What is the stereotype about Mexico in your country? To what extent are some descriptions in the case interviews pure stereotypes (common generalizations of foreigners about Mexico and the Mexican character)? What descriptions run into the opposite of the stereotypes about Mexico? How far from reality is the Mexican stereotype? In summary, what would you advise as a negotiation strategy for Joe Vicks? What are your conclusions (takeaways) of this session?

Key Learning Points or Conclusions:

For beginners, the concepts of negotiation culture and cross-cultural differences might be relevant material for the students. For example, the discussion may allow for a focus on the polychronic nature of the Mexican culture (rather than the monochronic culture of the Northern cultures), the humanistic and collectivistic approach, the room for emotions and feelings rather than the rational ideal, the tolerance for ambiguity (rather than low communication context), etc. These differences may be highlighted so that students understand them and become more flexible in thinking about cultures.

From a negotiation point of view, a discussion about bargaining (or haggling) and its historical roots might be interesting for the students. They could compare it to a rational approach using objective criteria, a trend in international negotiations.

In the same way, the use of "package" negotiations (all the points are negotiated as a whole, exchanging concessions instead of a point-by-point procedure more typical of the Northern cultures). If the class is made up of Americans, Germans, or Nordic students, this is a key point: they should learn how to do package negotiations because this procedure leads to the creation of mutual value. It is a cultural issue for monochronic cultures to learn and go over the sequential decision making of negotiations points in the agenda. They should learn to trade off concessions.

You can focus on four common mistakes in cross-cultural negotiations. One, acting the same way you act at home. Two, trying to be just like them. Three, a (sophisticated) stereotyping instead of leaving space for individualities. Four, believing everything is culturally relative and therefore valid.

Board:

We suggest using a classical board, that is, starting at the top and move from left to right. List responses to each discussion question. When evaluating the positives and negatives of each negotiating approach, I suggest a "dialectic" board. Choose an aspect of negotiation culture and write "+" and "-", then list on each side what the students say are the positives and negatives about each aspect. You should leave a space in front of the questions about the process, so that later on options for replies can be written there.

INTERCULTURAL NEGOTIATIONS IN MEXICO CITY[2]

INTRODUCTION

Joe Vicks was annoyed. He and his Mexican colleague, Ramón Hayek, had been waiting for almost an hour in the uncomfortable chairs at the front desk of one of Mexico's largest retailers – a US firm that had come to dominate the Mexican industry. The waiting room was ill-lit and way too crowded. "Ramón," Joe whined. "Let's go. The buyer's forgotten about us."

"Relax. She will be here soon," said Ramón.

Joe and Ramón worked for a small but fast-growing American toy company with a range of inexpensive novelty products that had taken the US and Canadian market by storm. The year before, the company had sold almost one million units of their most popular item between Thanksgiving and Christmas alone. The owners charged Joe with introducing their hottest product line to retailers in Mexico because of his strong record developing new customers in the US and Canada. Joe was young, capable, hungry, and spoke fluent Spanish from his days as a student abroad in Argentina. Ramón, Joe's first hire, was a dynamic sales representative with previous experience in the children's furniture category. Over the course of the first month they worked together, Ramón and Joe opened promising new relationships at two large regional retailers.

Joe was adjusting to the Mexican way of doing business. He had been in Mexico City for one month, researching the market and setting up meetings at retailers. Joe had collected data about the retail sector (Appendix 1) and about the values of Mexican managers (Appendix 2), but real-life interactions were bound to be more complicated.

WARM RECEPTIONS

The first retailer was a substantial company with a slick corporate office in a nice suburb of Mexico City. The buyer, an older man with whom Ramón had worked in his furniture days, greeted them with a big backslapping hug, then moved into rapid-fire gossip about sports and mutual acquaintances from the industry. The buyer confessed his mother-in-law was ailing and had moved in with him and his wife. It was difficult at home, but what could you do? Thirty minutes passed before the conversation turned to the toy line they came to discuss. Joe and Ramón had a hit product, and the buyer understood its value right away. Still, he needed to look at his available budget – could Ramón and Joe improve the price? Ramón argued back but they agreed to review the product offering and send a revised price list in the morning. When the meeting ended, the buyer hugged Ramón and gave Joe a backslapping handshake goodbye. Ramón scheduled a follow-up meeting the next week, and shortly thereafter, the buyer emailed over the vendor registration paperwork. There were still details to iron out, but it seemed the buyer was interested and serious about placing an order.

The second retailer, based in downtown Mexico City, was somewhat smaller than the first – more of a successful family business than a major corporation. Still, Ramón explained, they could achieve a substantial turnover of goods due to their several locations in heavily trafficked malls and downtown neighborhoods. The relationship there was even more promising: Joe had met the buyer at a trade show, and Ramón coincidentally knew the buyer from their college days in Texas. The meeting began on time at 11 a.m., at the corporate headquarters. There was much less small-talk here. The buyer was obviously interested in the product line and wasted no time getting into details about how best to market it in his stores and how to modify packaging to best appeal to his customers. At noon, the three of them got up and walked next door to look at the store itself.

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Together, they envisioned a particularly attractive display case and plotted how best to win sales. When they left, Ramón and the buyer sent warm regards to the others' wives and family.

THE COLD SHOULDER

Now, waiting in the lobby of this multibillion dollar retailer, Joe felt surprised and a bit insulted. In the US, buyers were no-nonsense but respectful of their suppliers' time and efforts. So far, Mexican buyers had been enthusiastic about the product line and very charming. Joe knew he had a hot product on his hands and thought the buyer at this major retailer would be excited to meet with them. Joe certainly hadn't expected to be forgotten totally.

Finally, the buyer arrived. She said hello in Spanish, but assessing Joe, switched quickly to English. "I'm sorry to keep you waiting. It's the end of our fiscal, and I've been in meetings all morning. It's crazy here." She was Mexican, but had clearly studied or lived in the US, because she spoke with no accent at all. She led them through the crowd to a tiny glass-walled conference room adjacent to the waiting room. Joe and Ramón didn't even have to pass through security. They had barely settled into their chairs when the buyer inquired, "What have you got for me?"

Joe and Ramón launched directly into the presentation they had prepared. They followed her lead and spoke English. Less than one minute into the presentation, the buyer interrupted. "What is the price, though? I think it's going to be too expensive for my customers." She flipped through the product catalog one more time and pointed at the least expensive toy. "This one is interesting, but I don't think at this price it will work. See what you can do. I'd also like to see what the packaging would look like. Can you send it to me by next week? I probably can't get back to you until after my fiscal year is over. But let me know what you can do. I have to go now. Thank you." They shook hands, and she showed them back to the squalid waiting room. After over an hour of waiting, the meeting itself took no more than five minutes.

Back on the street, Joe expressed his exasperation. "What the hell was that?"

"I think it was okay," said Ramón.

"Okay! It was degrading. I never was treated so rudely by a buyer. She practically threw us out. She didn't even let us talk. The meeting would have been better if she actually had forgotten us!"

"I don't see it that way. She asked for a quote. We'll get back in there." Ramón wasn't smiling, but he didn't seem dejected either. "I think we'll just have to try again. Let's get some lunch and we'll figure out what to try next. We better get her a new proposal by next week."

THE ENIGMA OF INTERCULTURAL NEGOTIATIONS

That night, at home, Joe stewed. He thought back to his negotiation class in business school. He remembered learning about negotiation culture – the customs, attitudes, priorities, reasoning, and behaviors which are common to and shared by a group of people during the negotiation process. All his other interactions with buyers in Mexico had been so pleasant, even fun. Even in the US and Canada, where buyers could be very curt, no one had been so abrupt, so late, and so dismissive. How could the third buyer belong to the same negotiation culture as the first two?

This retailer was too important to lose, and Joe knew the buyer held the keys to a successful national launch. How was he going to go forward? He needed to be better prepared for their second encounter. He sat down at his computer and wrote to his former professor. Could he please shed some light on Mexican negotiation practices? He clearly was not as well-prepared as he needed to be. He needed to craft a more thoughtful negotiation strategy.

The next morning, Joe awoke to an email with five interviews from his professor's research: one was an interview with a bicultural Mexican-American executive, another was with an Anglo-American businessman with experience in Mexico. There were also the views of two Mexican executives and a Japanese diplomat stationed in Mexico. The professor's note said, "In mathematical game theory, 'strategic games' are those in which results are not dependent on abilities or chance, but on interactions with another party. In this sense, negotiations are a strategic field where a party will act according to the actions of the other party. Don't give up. Stay patient." The testimonies sent by Joe's professor follow.

INTERVIEW 1: MEXICAN-AMERICAN EXECUTIVE, AIRLINE & FOOD INDUSTRIES, MALE, AGE 30 (2010)

I have lived in Mexico a total of eleven years. I spent the first seven years of my life in Mexico City and returned nineteen years later to work in two different companies: a major airline and a family-owned sugar brokerage. I must emphasize that I lived and worked in Mexico City. Mexico is a large country with many influences from Central America in the southern Chiapas region and from the United States of America in the northern border region. The following, therefore, will relate to my personal experience of how negotiations are conducted in Mexico City.

Summing up: How do Mexicans negotiate? In Mexico, negotiating is seen as a zero-sum game, with emphasis on distributing possible value, not creating more value to share between the parties. Mexican negotiations involve much persuasion and improvisation, and someone who excels at these is well-respected. The more relative power a negotiator displays, the better they are perceived.

Negotiations are founded on trust, so it is necessary to develop a friendly relationship beforehand. Before a relationship is established, Mexicans will be suspicious of the other party. They initiate discussions by anchoring themselves in an almost unreasonable position with the intention of conceding to at least some of the other party's demands. It is normal to address many issues at the same time, digest lots of information simultaneously, and take breaks to deal with a chaotic professional life. In fact, the busier someone is, the more important they are seen to be, and the more power they believe they are demonstrating.

Today, there seems to be an interesting generation gap occurring in approaches to negotiation. The older professionals favor negotiating on the foundation of friendship, as will be discussed throughout this paper. The younger generation is more inclined to close deals quickly, without waiting to develop close relationships. This has to do with Mexico City's rapid growth over the last decades, where increasing competition has provided alternatives for negotiators.

Perception of the other party: Do Mexicans conceive their negotiation counterpart as a friend, a colleague, or a rival? Or do they remain neutrally impersonal? In first-time negotiations, Mexicans always proceed with a suspicious, defensive, and opportunistic attitude. Negotiations are difficult to get going because very little information is divulged and few points are conceded until trust is established. Mexicans prefer to resolve conflicts through personal and informal relationships, but if this channel is not available, they may become evasive. The personal-business relationship is often gray, since agreement is reached when both parties have established a trusting relationship like that between friends. The more professional the treatment during the negotiation, the less likely a long-term relationship will develop.

Time perspective: Do Mexicans negotiate long-term or short-term interests? Do the negotiations proceed quickly or slowly? Are they punctual? The Mexican mentality is very short term. The first agreement will define who has the upper hand, depending on who got the better deal. This makes it difficult for long-term relationships to develop and is why the personal aspect is of utmost importance. Negotiations are very slow to take place, as the initial meetings will be "fact-finding missions" to feel out the other party and measure their trustworthiness. They are unpunctual as it demonstrates a sign of being

busy and in demand. It is common to arrive on time for a scheduled meeting and still be left waiting in reception for 15 minutes. The "visiting party", however, should always arrive on time, as it is considered rude to be late. The culture is very polychronic, with several issues being explored at the same time.

Decision making: How do they decide? Who makes decisions? The boss likes to demonstrate his or her power. Responsibility rests on the boss, and he or she does not require consensus from a team. Technicians work in the background and hardly ever come forward to the negotiating table. This is a reflection of the fact that Mexico has a high power distance, where inequality is high and has been part of the fabric of life since pre-Hispanic times.

Formality: Are they informal or formal? Do they follow a protocol? How close is interpersonal treatment? Mexicans are very informal and prefer to keep negotiations as such. There is not much protocol governing how negotiations are carried out. The unspoken protocol would be that the interested party speaks first, giving a very advantageous start to the counterparty, as they are the first to receive information and intentions. It is common for negotiations to begin with small talk, about topics ranging from family, travels, and football to food and drink.

Informal negotiations: Do they use out-of-the-office negotiations? Informal negotiations are preferred. Mexicans like discussing business and getting to know the counterparty during meals. The most formal and productive meal is breakfast, which usually begins at 8:30 and ends at 10:00. Breakfast is productive because no drinking is involved and each party is expected to return to the office and work on the details that have just been discussed. Lunch is a preferred meal since it tends to carry on for several hours with heavy food and drinks (tequila is a traditional aperitif). Lunch meetings are helpful for building relationships but not very efficient. A successful lunch carries on into the evening. This means that the personal chemistry is good, but also prevents the different parties from returning to the office to continue work.

Pre-negotiations and preparation: Do the negotiators come prepared? Have they had previous meetings? In Mexico, little preparation is done before negotiations. Much is left to improvisation, and it is a respected attribute to be able to think on your feet. This encourages slow negotiations, because additional information will be sought back at the office. From my experience in Mexico, a successful tactic is to do back-of-the-envelope calculations, especially when the negotiation involves the exchange of a service or good for money. A little previous preparation and memorization of facts and figures go a long way in the negotiation when presented in such an informal manner. Moreover, the counterparty feels he participated in developing the numbers with you. It at least provides a common method for developing further objective criteria.

Opening: Do they open with extreme offers? Do they use objective criteria to justify offers? Do they haggle? Mexicans use anchoring as a fundamental tactic. The outcome is often very different from the first proposal, usually because of a lack of preparation. They also assume that negotiations are a zero-sum game where one's loss is the other's gain. A major resource for winning negotiations is persistence.

Emotionality: Do they follow a rational or emotional process? Do they use feelings in an expressive way or an instrumental way? Mexicans are very emotional negotiators. They have physical ways of demonstrating when a negotiation is reaching a friendlier status. At first, there is only a handshake, but as the relationship warms up, there may be a hug. Mexicans have a very curious way of greeting, where they shake hands, hug with two slaps on the back, separate, and shake hands again. This behavior demonstrates a comfortable space orientation, where personal space is reduced. Eye contact is also very important, as it expresses sincerity and trust.

Power tactics: Do they use threats or intimidation? Do they fake a lack of interest? Are they aggressive or confrontational? Any threat will be counterproductive to the negotiation. Being pushy and aggressive does not work. A threat

to leave the negotiation table will be accepted – and even encouraged – by the other party, resulting in irreparable damage to the relationship. It is a masculine-macho culture, so no party is likely to back down from a challenge. A main tactic is showing a lack of interest for the negotiation. Mexicans take care to protect and foster feelings and relationships. If any party feels humiliated – "Take the offer; you need the money" – it is likely that no agreement will result.

Type of agreement: Is the final agreement verbal or put in writing? Do they insist on legal or official agreements? At first, agreements are reached verbally, and then they are written. Mexicans often reach agreements while leaving room to change details in the future. This occurs because many agreements are reached before the decision maker has gathered all the relevant information. They may agree to something on the spot because they do not want to come across as uninformed, but they will make necessary modifications as the deal goes into effect. Contracts are lengthy and convoluted, as company lawyers get heavily involved in drawing them up. Both parties, however, rarely rely on the court system to settle disputes, as lawsuits are a lengthy process and will certainly damage the relationship. It's not seen as a failure if you don't reach an agreement during first negotiations. At this stage, it's actually more important to establish a good relationship than to reach an agreement. In fact, you can gain valuable insights for the future by observing how each party reacts when an initial negotiation does not lead to an agreement.

Perception flexibility: Are they rigid or flexible about changes? Mexicans have weak uncertainty avoidance. They are comfortable with the unknown and understand it as a part of life. It's a high context communication culture, where much is left unsaid. They perceive rules as guidelines and therefore can be flexible during the course of negotiation. Of course, this varies according to the negotiator's position and the stage of negotiation.

Ways of expression: Are they interpersonally friendly, courteous, confrontational, diplomatic, imposing, evasive, neutral? Mexico is a collectivist society where a person's identity is defined by his or her social network. Harmony is encouraged and confrontation avoided. It's a very diplomatic and evasive culture.

INTERVIEW 2: ANGLO-AMERICAN EXECUTIVE, IT SECTOR, MALE, AGE 31 (2010)

Summing up: How do Mexicans negotiate? First, I think it needs to be said that there is a great distinction between the "average" Mexican and a top executive at a multi-national company. Given Mexico's geographic and business ties to the US, a lot of that influence trickles into top executives' education and business practices. Many times, executives report to a company that has its headquarters in the US, as was the case at my company in Mexico. Still, I encountered many top executives with a typically Mexican negotiation style, reflected in the importance they place on relationships, in the relative lack of concern for punctuality, and in the way they either avoid conflict or use aggression as a manipulation tactic. Because personal reputation is so important and the complex legal system provides little recourse, trust plays a huge role in negotiation. This trust is built over time, and business and personal matters often mix in the process.

Perception of the other party: Do Mexicans conceive their negotiation counterpart as a friend, a colleague, or a rival? Or do they remain neutrally impersonal? Mexican culture sees the other party as "the enemy", in some sense. Although treatment may be friendly, even overly friendly, there is an underlying sense that both sides can't win. Usually, the conflict's terms are dictated by the Mexican side. At least, that's how it looked from the provider side. Personal and business tend to get blurred. If you give the other side a good deal, you are a friend. If you bargain hard, you are not a friend. While some Mexican negotiators kept things professional and were tough on the issues, many became enraged if they felt they had to accept my terms. In most cases, as I stated before, during negotiation, you are either friends or enemies.

Time perspective: Do Mexicans negotiate long-term or short-term interests? Do the negotiations proceed quickly or slowly? Are they punctual? Most of the Mexican companies with whom I negotiated went through the same process with me, year after year. The first year was war – very short-term thinking on their part. But as the years passed, we seemed to get into a more long-term way of thinking. The people with whom I negotiated were mostly polychronic, but they were heavily influenced by and often educated in the US, so they had picked up a lot of habits from the North. The expectations of punctuality were always a double standard. I was expected to be on time, but they were not. I suspect this was also a power game that these very senior executives used to show how important they and their time were, and how relatively unimportant I was. Negotiation usually happened in an office or over a meal. If I knew that we had given great service and that the client was happy and would renew their contract, the negotiation could move very quickly, especially after a few years of working with them. New sales often took a year or more to close and could consist of a painfully slow back-and-forth. Executives never hesitated to tell me that they'd have an answer by X date, but those dates often flew by without too much concern on their side.

Trust basis: Is trust based on the person, on the legal system and the written contract, or on previous experience with the counterpart? After relationships are built, it can be a trusting culture, but it takes time to get there. Reputation is extremely important. My clients relied heavily on their network, which included other clients of mine, to make the first step and sign a contract. Then, based on my performance and how consistent and reliable I was over time, clients learned to trust me more. It was easy to blow that trust, though. While I never explicitly asked my Mexican clients about it, it seemed to me that I got some trust because I was "not just another Mexican" – almost as if Americans had a stronger reputation as trustworthy. The working experience is what counts more than anything else, though. Without trust, no contract moves forward.

Formality: Are they informal or formal? Do they follow a protocol? How close is interpersonal treatment? I always tried to have a formal plan and approach. If the client wanted to make it less formal, I could always take it down a notch. My clients who considered me a "friend" would actually just sign my contracts over e-mail, which my company allowed. It was very, very informal with those clients with whom I got along best. Many times, though, a client would want to have a long lunch with drinks and talk about non-work-related things as well. In general, I was treated very well, especially when I knew the clients wanted or needed what I was selling. Sometimes, the client would even take me to their home or to "special" areas of their company. On one occasion, I was invited for a ride in a racecar on a horse racing track in Mexico City.

Informal negotiations: Do they use out-of-the-office negotiations? My negotiations took place largely in the office. Negotiations did happen over meals, and I understand that that is common in Mexico, but I think given the size of these companies and how international most were, things were usually done in the office in a more formal setting.

Opening: Do they open with extreme offers? Do they use objective criteria to justify offers? Do they haggle? Mexican CIOs frequently started meetings by telling me the immense cost pressure they were under. While sometimes they may have said, "I have X amount of dollars to spend on something like this," many times, if they really wanted what I was selling, we could get around that issue. These clients almost always tried to use our competitor's pricing as an objective criterion, but it was not a good comparison, as the services were very different. I would often try to quantify what kind of value we would be providing for them or what kind of costs they would save by tying our offering to specific projects they had. The initial offer was always a number I made, so we didn't bargain that point. But from there, negotiations began.

Arguments: Do they use persuasion, hard data, threats, rational debate, or appeals to emotion? Our preference was always to try to show hard data when we had it, but sometimes we were working with highly qualitative subject matter, which was hard to show. I never, ever tried using my own strong emotions to appeal for a sale. I don't know if it would have been

effective, but my guess is that they would have lost respect for me. Even if it does happen between Mexicans, as I mentioned, I felt like I was held to a different standard.

Emotionality: Do they follow a rational or emotional process? Do they use feelings in an expressive way or an instrumental way? A few times, people got angry. Once, I even got angry when a client was clearly lying to me, trying to squeeze a few dollars out of us – a tactic he used year after year. Affection was often displayed on both sides, too. This often worked to my advantage. I tried never to involve my emotions, but if a client was sending me affection, I felt obliged to reciprocate. Hostility was used generally right before asking for a deal on the client side. I never used hostility, but I often responded to it. When a company asked for a deal, if I could give it to them without missing my sales goals, I usually tried. Not because I was afraid they wouldn't like me, but because they usually did not ask for more than 30% off the initial price. Usually, it was just 5% or 10%.

Power tactics: Do they use threats or intimidation? Do they fake a lack of interest? Are they aggressive or confrontational? The worst were ultimatums – "Give me my price or no deal." Clients definitely feigned lack of interest. Many times, they would tell me that my product was "nice to have, not need to have." I knew there were no better options out there, because we didn't have direct competition, but fake lack of interest was a card they pulled a lot. The client's power often came into play when they thought they were a "special" company and that we would attract more clients by having them. They often wanted something for that. It wasn't rare to hear, "This is, after all, Cemex or Pemex or X company that we are discussing. We would bring you a lot of business if we sign." It was never in my best interest to humiliate my clients, but I think on a few occasions they felt OK trying to humiliate me if they thought they'd get a better deal. One guy who worked in a Mexican multibillion-dollar conglomerate went out of his way to try to find a mistake on my side and cash in on it. He was the same guy that every year tried to squeeze us for a few more dollars. I even asked my bosses permission a few times to drop him as a client because of how hard it was to work with him. I wasn't allowed to.

Type of agreement: Is the final agreement verbal or put in writing? Do they insist on legal or official agreements? We did sign contracts, but I doubt they would have held up legally in Mexico. To begin with, they were written in English and, many times, executed electronically. I had a signature, but what counted was that we had made an agreement. A few times, the Mexican side went back on gentlemen's agreements, but in general they held. On the other hand, when working with the Mexican government, we had to generate a ton of paperwork. We used to joke in my office that the Mexican government only accepted contracts that had shiny stickers on them. We literally used to have to get an Apostille, a notary signature, and many, many other things before the contract could be accepted. Then, we had to put a shiny gold stamp on it. It sounds ridiculous, but without the stamp, we always had problems, although the stamp had no meaning whatsoever. It held no official significance. We had a few other cases of onerous paperwork and unnecessary bureaucracy, but, in general, with well-established and multinational Mexican companies, things were relatively dynamic and easy to formalize with a handshake or an email.

Commitment and fulfillment: Are agreements binding? It was not seen favorably when they did not fulfill a contract; however, it happened from time to time. I think clients genuinely felt bad when that happened, but the attitude was, "It happens. What can you do?" No client ever feared that we might come after them legally. There seems to be an understanding that sometimes things change or are outside the control of the executive and lead to a broken agreement. I would say the average Mexican executive tries to fulfill his or her promises but probably doesn't lose too much sleep when they fall apart.

Ways of expression: Are they interpersonally friendly, courteous, confrontational, diplomatic, imposing, evasive, neutral? I saw submissive, friendly, aggressive, diplomatic, direct... It depended a lot on the sector and company culture. There

were more aggressive negotiators (and submissive ones) in Mexico than anywhere else I worked (all of LatAm, Spain, and Portugal), but I still came across a lot of negotiators who were professional and diplomatic. Many were very "American" in their behavior, although I assume this has a lot to do with their education in the States.

INTERVIEW 3: MEXICAN EXECUTIVE, RETAIL SECTOR, FEMALE, AGE 31 (2016)

I'm from Mexico, and I've lived there for most of my life. For three years, I worked in sales, negotiating with two of Mexico's largest supermarket chains as a supplier in the pet category.

Summing up: How do Mexicans negotiate? At first, Mexicans see negotiations as an opportunity to get the greatest benefit at the supplier's expense, by insisting on steep discounts while giving little or nothing in return. At this stage, giving away any concessions is seen as a loss. As a relationship develops, they begin to consider the interests of the other party. It takes time and effort to move from competing to collaborating, but depending on the nature of the business, you must work together to get the best long-term benefits.

What reasoning do they use to resolve conflicts? Different negotiators resolve problems differently. With one of my clients, we would resolve conflicts by taking turns discussing each side's perspective and trying to reach the best agreement for both parties, so we could nurture a long-term relationship. My other client had a more traditional attitude. To find a solution to conflicts, we sometimes escalated the conversation to the national sales manager, and, on one occasion, all the way to the general director.

What are the guiding concepts behind negotiations? Mexican buyers are driven by monthly sales targets, so they can negotiate differently depending on the time of the month. If it's the end of the month and they are short of their quota, they will focus entirely on closing the deal at the lowest price and highest margin possible. That said, if they have already hit their quota, they will almost always seek an agreement that benefits both parties. Although they aim for long-term relationships and mutually beneficial deals, they never let you forget that they are the customer and they get the last word.

Where does the meeting take place? Negotiations occur at the office, during regular work hours. In the retail industry, buyers are not allowed to go out to eat with suppliers, nor can they accept gifts.

How do negotiators adapt their strategy for different companies with different negotiation cultures? Negotiations are different with different types of suppliers. If you are a big supplier, a market leader, and of great significance to the client, the negotiation will be more equitable. If you are a smaller supplier, they won't be as flexible in their negotiations with you and will resort to more traditional negotiation methods.

What have you found surprising in your negotiations? I was surprised by how many delays you can encounter and by how many signatures are required for a simple decision. Also, the two retailers I sold to had very strict hierarchical processes, which the company I worked for did not have. On my side, we had much greater authority to sign deals without approval from above. The greatest thing I had in common with my customers was timing: we both needed at least three months to prepare, present, and agree on the strategy and plan for the following trimester.

What role do emotions play in negotiations? Do they express aggression or affection? A very important one. At first, you encounter more negative emotions, and Mexican buyers can be demanding. As the relation develops, if you are meeting your obligations and they are happy with your work, the relationship becomes much friendlier. At this point, they usually express affection. Still, if they have a problem, they will tell you directly. The relationship aspect matters very much. The result of a negotiation can hinge on how much the buyer likes the provider.

How do they deal with conflict? One of my clients always sought to be conciliatory. They always tried to see things from both sides and reach an agreement together. The other client was much more difficult. Most of the time, they addressed conflicts with aggressive fights and direct confrontation. On one occasion, the national director had to enter the discussion as a mediator, because every time I tried to resolve the situation alone, it ended in a fight, and we couldn't reach agreement.

What are the most important values you saw? On-time and complete delivery of what you promise, and honesty.

INTERVIEW 4: JAPANESE DIPLOMAT, MALE, AGE 32 (2011)

When I was working at the Japanese Embassy in Mexico, I was in charge of logistical support for an international diplomatic convention which occurred in Cancun in 2003. I was requested to book a hotel in walking distance from the venue for the Japanese delegation of 200 people, including 3 ministers and 30 senators. In Japan, governments and public institutions do not have to pay deposits to make hotel reservations, because it is certain that the public entity will pay. In contrast, in Mexico, it is normal for all hotel guests to pay an advance deposit, without exception. We explained this to the Ministry of Foreign Affairs (MOFA) in Japan, but we received approval to pay the deposit only after March 2003, at the beginning of the budget year. The Japanese government could not advance the budget for the deposit.

At the end of February, I visited Cancun and obtained a written confirmation from the hotel for 200 rooms, provided we make the deposit in full before April 4. Both parties signed the contract, and I reported it to the MOFA. Two weeks later, in the middle of March, we received a fax from the contracted hotel stating, "There were many rooms requests for the WTO conference, and we currently only have 50 rooms for your delegation. Sorry for the inconvenience." I called the hotel immediately to insist that we must have 200 rooms and remind them we already had a contract signed by both parties. We even mentioned the possibility of a lawsuit. A general manager of the hotel told us that they had sold the rooms to another embassy which paid a 100% deposit at the time of the contract, and they could not change the reservations. We argued on the phone for a long time. The general manager told us that they would try to assign us more rooms but could not confirm all 200 rooms we needed.

We waited for two days until the hotel told us they could increase our booking from 50 rooms to 120, but not more than that. As a result, we had to look for another hotel which could fit 80 people. The delegation had to stay separately in two hotels. We thought to go for a lawsuit, but most diplomats stayed in Mexico for only two to three years. A lawsuit might take much longer than two years, and we didn't want to have bad relations with hotels before the conference. We had no choice but to accept their offer. Thinking back on it now, for us Japanese, the written confirmation was like an official letter or a contract. For the Mexicans, it was only a promise of bookings, but the bookings were not actually confirmed until the deposit was paid. In general, negotiation uncertainty is not low in Mexico, and it's even higher in a seller's market like the one I experienced. We should have expected uncertainty and looked for other options in case the first option failed.

Summing up: How do Mexicans negotiate? In Mexico, negotiations are mainly based on trust. If you are recognized as a friend by other parties, you will most likely succeed in the negotiation. However, if you fail to establish a good relationship or if you do not know the other party, then you may be distrusted. Mexican people do not hesitate to show their distrustfulness or treat you as if you were their enemy. Generally, negotiation in Mexico means "bargaining price or taking benefits from other parties." Therefore, their behavior can be aggressive or threatening, according to their requests or interests. Mexican people do not perceive conflict as bad; rather, it is something usual in negotiation. Still, Mexicans are very proud. If they feel insulted or humiliated, they may stop negotiating.

Perception of the other party: Do Mexicans conceive their negotiation counterpart as a friend, a colleague, or a rival? Or do they remain neutrally impersonal? It is very important who introduced you to the other party. If your friend is a friend of the other party and introduced you to him or her, then he or she treats and sees you as a friend. If you don't know anybody and contact the other party without any introduction, then it will take time to establish a good relationship. I would say Mexican people are quite skeptical of the other party and do not trust or share information at early stages of negotiation. Compared with Japanese, Mexicans are not very professional. Sometimes they do not act as a company worker. For example, I made a reservation at one hotel, but when a visitor arrived at the hotel, the reservation was not confirmed. The person at the reception kept saying, "I don't take reservations, so I don't know. It's not my responsibility."

Trust basis: Is trust based on the person, on the legal system and the written contract, or on previous experience with the counterpart? I would say it is a distrusting culture. You have to have a close relationship to be trusted by the other party. Trust is based more on the written contract. Even though Mexicans may confirm something orally in the negotiation, if the condition is not written down, they may not complete the commitment.

Risk taking: Do Mexican negotiators take risks? Do they set themselves up to fail to comply with an agreement? Mexican people are more risk taking. Even when they are not sure about issues in a negotiation, they may give commitments. Uncertainties are normal in Mexico, and they don't clarify details until the last minute. For example, at a conference for national prime ministers and presidents, we were informed that the representatives of each country could be accompanied to the closing dinner by one interpreter and one bodyguard. However, they changed it at the last moment without any notice. The representatives had to enter the venue alone.

Counterparties and decision-making: Who are the negotiators? What criteria do they use to select negotiators? Who makes decisions? Mexicans tend to follow an individual decision-making process and many times do not share information with their colleagues. The criteria used in selecting negotiators are title and position, not the knowledge of issues which would be negotiated. The range of bargaining which one negotiator has is much wider than that of a Japanese negotiator. Everything is decided by the boss, and team consensus is not important.

Pre-negotiations and preparation: Do the negotiators come prepared? Have they had previous meetings? Internal discussions before negotiations begin are not common in Mexico. I asked for some information to be presented during the negotiations, but these data or documents were rarely prepared. There is not much internal work-sharing. Once, a hotel general manager introduced me to the people in charge of security and of restaurants, but when I called these representatives with relevant questions, they answered, "I don't know. It might be out of my responsibility."

Emotionality: Do they follow a rational or emotional process? Do they use feelings in an expressive way or an instrumental way? As mentioned above, sometimes Mexicans are very emotional. It was a part of culture and the way of negotiating. The first month I worked in Mexico City, one Mexican staff member advised me to push the bank harder because I was being too polite, asking the other party, "Will you please do X?" I was told to tell them, "Do it today, or I will not do more business with you." It was shocking for me, because I had never asked for something so strongly, but, after some months, I understood it was a part of culture and nothing personal.

Type of agreement: Is the final agreement verbal or put in writing? Do they insist on legal or official agreements? Are agreements binding? Are they rigid or flexible about changes? You have to do it in writing, definitely. An oral commitment alone is not valid in Mexico. They don't give importance to promises made in conversation. In general, they try to fulfill the

commitment once the contracted is signed by both parties. However, it is quite common that conditions change according to contingencies. Factors outside the control of either party can affect the commitment a lot.

Ways of expression: Are they interpersonally friendly, courteous, confrontational, diplomatic, imposing, evasive, neutral? They can be friendly or aggressive, and they are often evasive. Mexicans assign much more importance to the behavior or expressions of the other party than Japanese. Mexicans asked me many times why Japanese people do not express their emotion. It is hard for Mexicans to negotiate with Japanese because Mexicans cannot see what Japanese are thinking or feeling. Japanese regard "tolerance" and "patience" as virtues and believe that emotional expressions should be controlled. On the other hand, most Mexicans are Catholic, and Catholic people assign more importance to the power of empathy. To understand others and to be understood, Catholic people express themselves more than Buddhists. Many times, Mexican people take it as a sign of "yes" if there is no strong objection. Expressions during the negotiation in Mexico are very different from Japan. In Mexico, you have to make expressions clearly and intuitively so that you will be understood fully. Patience is not as appreciated as in Japan.

INTERVIEW 5: MEXICAN EXECUTIVE, CONSUMER PRODUCTS SECTOR, MALE, AGE 28 (2014)

I can share my experience working as a credit manager for a big multinational company and my experience negotiating with small to medium businesses in Mexico and the Central American and Caribbean regions. There is a difference.

Time and time again, we have seen how Hollywood movies portray Latinos to the rest of the world. We have three main characteristics: We have fire in our blood; we are extremely affectionate with our friends and family; and, we would rather spend a day at the beach than at the office. Unfortunately, all three of these characteristics are true and can be seen while negotiating deals across the region.

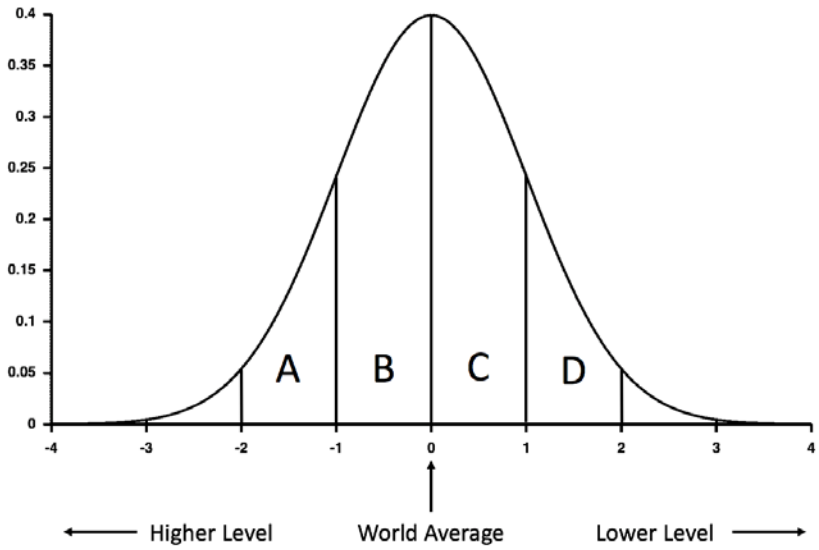
Negotiating in Latin America means more than just closing a deal; it means you are choosing someone to become involved in your life. During my negotiations, many customers opened their doors to me, so that I could know their homes, meet their families, and come to trust them. The specifics of the deals were never mentioned until a general agreement had been reached. It mattered more who you wanted to do business with than what the business itself was.

In the end, you must understand that Latinos are Latinos, and that their context is completely different from a European's context. They are a lot less efficient because they have a lot more uncertainty in their everyday life. They are slow to reach a final decision only because they want to make sure that you are the right one for the deal. However, once they choose you, they want to move fast, because they can't plan too much ahead of time. The only certain thing is today and tomorrow. Everything else can change.

A German colleague of mine described negotiating with Latinos in the following way. "They treat me better than my girlfriend. They pay for everything. They are extremely polite. They give me a tour around Mexico for a couple of days, invite me to the best restaurants, etc. But they expect to get a better treatment because of this during the negotiation. They don't understand rational arguments. They are more interested in creating a space where I can feel as comfortable as possible, hoping that this way I will give them more than what I initially intended. The result is a sour goodbye as they realize that three days' hard work really didn't give them any advantage. In reality, they should have seen me the first day and been done with it."

APPENDIX. COMPARATIVE VIEW OF MEXICAN VALUES: THE GLOBE STUDY

The GLOBE Study collected data about cultural attitudes towards societal, organizational structure and leadership from 16,000 managers across 64 countries. This chart shows attitudes towards nine cultural variables. A represents a value higher than the world average response by more than one standard deviation. B represents a value higher than the world average response, but by less than one standard deviation. C represents a value lower than the world average response, but by less than one standard deviation. D represents a value lower than the world average response by more than one standard deviation. B and C are close to the world average response; A and D are considered more extreme responses. In the chart below, the first letter represents the culture *as it actually is*, according to the managers interviewed. The second letter represents the culture *as it should be*, according to the managers interviewed. That is, American managers describe their culture as having medium gender equality (B), but their preference would be to live in a society with high gender equality (A).



Variable	Mexico	Latin America	Spain	Japan	USA
Institutional Collectivism	B-B	C/B-A	B-A	A-C	B-C
In-Group Collectivism	A-A	A-A	A-B	B-B	C-B
Power Distance	B-C	A-D	A-D	B-C	B-C
Uncertainty Avoidance	B-A	C-A	C-B	C-B	B-C
Gender Egalitarianism	B-A	B-A	C-A	B-B	B-A
Assertiveness	B-B	B-B	B-B	A-B	B-B
Performance Orientation	B-A	B-A	B-B	B-C	A-A
Future Orientation	B-A	C-A	C-A	B-B	B-B
Humane Orientation	C-B	C-B	D-A	B-B	C-A

Definitions of cultural variables in Globe Study:

Institutional Collectivism: The degree to which individuals are integrated into groups within the society and collective action and resource distribution is encourages and rewarded.
In-Group Collectivism: The degree to which individuals have strong ties and express pride, loyalty and cohesiveness to their small immediate groups, organizations or families.
Power distance: The degree to which members of a collective expect power to be distributed equally (reverse code).
Uncertainty Avoidance: The extent to which a society, organization, or group relies on social norms, rules and procedures to alleviate unpredictability of future events.
Gender Egalitarianism: The degree to which a collective minimizes gender inequality.
Assertiveness: The degree to which individuals are assertive, dominant & demanding in their relationships with others.
Performance Orientation: The degree to which a collective encourages & rewards group members for performance improvement & excellence.

Future Orientation: The extent to which a collective encourages & rewards future-oriented behaviors such as delaying gratification, planning & investing in the future
Humane Orientation: The degree to which a collective encourages & rewards individuals for being fair, altruistic, generous, caring and kind to others.

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