

THE COMPARISON AND INTERACTION OF THE ROMANIAN AND VIETNAMESE NEGOTIATION STYLES

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ABSTRACT

Today's society is increasingly connected, distance between a set of people becoming a nonfactor due to advancements in communications technology. Thus, you can have teams of people from half a world away meet and sit down together. This applies to our case, Romania and Vietnam, two countries which, while they have had little to no direct interaction, are very similar in terms of culture, both professional and personal.

Introduction

In today's times, society is becoming more and more connected, the distance between any two given people shrinking every day due to advances in communications technology. One such example is the case of Romania, a member country of the European Union, and Vietnam.

The reason why this case is particularly interesting is the fact that both countries share a communist past, Romania being a communist dictatorship until 1989, under the rule of Nicolae Ceausescu, and Vietnam currently being one of the few remaining communist countries in the world. While things have changed over the years, especially for Romania, the reality is that the effects of communism are still felt today in the behaviour of the Romanian older population, who was raised during that period of that.

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If we take a look at Hofstede's Cultural Dimensions², we can notice several similarities between Vietnam³ and Romania⁴ (Figure 1). Both display the dimensions characteristic to a communist country, high Power Distance, low Individualism, low Masculinity, average Long Term Orientation and low Indulgence.

Despite these similarities, the key difference between the two countries is the Uncertainty Avoidance score, which reflects the degree to which a culture dislikes surprises or unforeseen events. Given Romania's score of 90, its people will, more often than not, be extremely thorough in their negotiations and decision making, being sure to do their due diligence. On the opposite end of the spectrum, the Vietnamese are content with not being sure of what will happen, which might be an effect of the Vietnam's Buddhist religion.

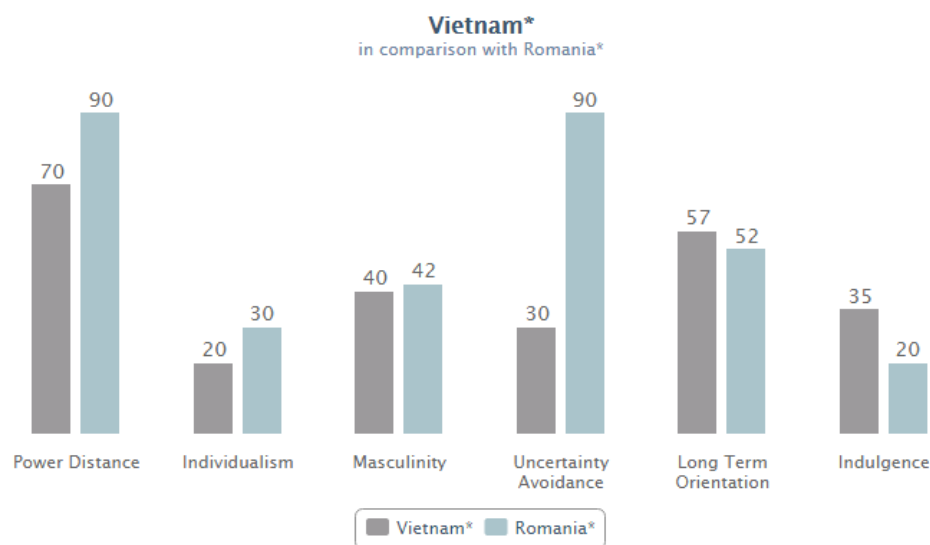


Figure 1. Side by side comparison of Vietnam and Romania cultural dimensions⁵

The Vietnamese Negotiation Style

As rapidly developing country, Vietnam is focusing on restructuring the economy and establishing economic and trade cooperation on the global scale. Therefore, international negotiation is of strategic importance to Vietnam and its growth.

²(Hofstede, Hofstede, & Minkow, Cultures and Organizations: Software of the Mind. Revised and Expanded 3rd Edition, 2010)

³(Hofstede, Vietnam - Geert Hofstede, 2015)

⁴(Hofstede, Romania - Geert Hofstede, 2015)

⁵(Hofstede, Vietnam - Geert Hofstede, 2015), using the Country Comparison tool of the website (the URL does not change when doing a comparison)

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Although the Communist government remains as a major influence, Vietnam has a million eager, aggressive businesspeople⁶; the nation welcoming foreign investment and trade. An old-aged history, as well as a deep cultural heritage have characterized the Vietnamese negotiation practices.

Vietnamese people pay a great attention for hierarchy, demonstrating their respect to everyone they consider their superiors, and demanding respect from those they consider their inferiors. Hierarchical structures still remain in government and organizations. The elder people are considered more knowledgeable and wiser, and their opinions have the most influence in decision making. Therefore in business meetings, it is usually the seniors of the group who enters the room the first. Status, which is gained with age, education and titles, is also very important for Vietnamese people. Supervisors and colleagues with a higher status are expected to be respected.

Business relationships in Vietnam are relatively formal. Connections are important, personal introductions being preferred. The relationships take time to develop; a substantial amount of time is expected in order to build up rapport and gain trust before the business can be actually established. Appointments are required and should be made in advance. However, the complex bureaucracy might be a significant obstacle.

Meetings are acknowledged to be a very important part of business process. Business people in Vietnam are inclined to have face to face meetings with the prospective business partners. Punctuality is considered as a necessary gesture of politeness. On the other hand, negotiations in Vietnam tend to be protracted. Vietnamese people often attend the meetings with a passive attitude; and as mentioned above it takes some time for introductions, small talks to help developing a certain connection. Long periods of silence are also common during discussions, as Vietnamese usually take a while before responding.

One of the important points to consider during the negotiations, as many Asian countries, Vietnam is classified as a high-context society. A smile on a face of a Vietnamese can mean both agreement or disagreement, understanding or confusion, trust or disbelief, etc. Consequently, even if there is a disagreement Vietnamese counterparts may remain silent. In Vietnam, people try to avoid criticizing others publicly, in order not to cause the embarrassment for both parties. They try to say what they believe others would want to hear. High pressure and emotion have little effect on business in Vietnam. Most would rather let a deal fall through than be rushed.

Nonverbal communication is often used in Vietnam as a means of getting a message across. Some expressions and gestures might also be very different from other cultures. For instance, avoiding eye contact can have a meaning of showing respect to people senior in age or status or of the opposite sex. The traditional greeting

⁶(Conoway & Morrison, 2006)

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is a slight bow. There is no physical contact. However, nowadays, the vast majority of businesspeople in Vietnam will greet you with a handshake.

Vietnam scores low on the dimension of Individualism in the Hofstede's model (score of 20)⁷, which proves its collectivistic society. The relationships are perceived in moral terms. The decisions are made while taking the need of a whole group into consideration. Family and community concerns will almost certainly come above business or individual needs.

The Romanian Negotiation Style

In terms of negotiation style and business management, Romanian business people focus more on the relationships between people, the belonging to certain groups and the adherence to their values. This certain characteristic is reflected by the low score obtained in the individualism index. Furthermore, Romanians wish to do business with people they know and appreciate, rather than with people who do not want to create a relationship outside the business environment. Thus, the process of conducting business and negotiating is long, requiring both commitment and long term vision. However, given enough time, these relationships prove to be fruitful and advantageous for both parties.

Moreover, within the Romanian business environment, the respect one person receives depends first and foremost on his or her age and social status. Romanians of an older age are treated well and with respect, however this respect can disappear if that person discards their humble behaviour and treat their counterpart with little to no respect.

Furthermore, Romanians avoid being overly blunt when talking, this type of talking going against what is seen as good manners, one of the most important aspects of Romanian education, colloquially known as "*cei 7 ani de acasa*" (*the 7 years spent at home*), which make up for one's education in terms of social norms, accepted behaviour and so on. Thus, they tend to be somewhat evasive and indirect in their communication, wishing not to offend their counterpart. However, as the negotiations progress and both parties are more familiar with each other, the Romanians will be more relaxed and open, losing their adversity towards contradictions and negative answers.

In terms of non-verbal communication, Romanians make moderate use of facial expressions, gestures and body movements. They will try to maintain visual contact, as it normally depicts that one's intentions are honest and they are trustworthy. As stated before, Romanians tend to maintain a calm tone of voice, its variations being more pronounced than in more conservative cultures. In terms of personal space, Romanians will usually adapt to their counterpart's needs, maintaining a moderate distance by default.

⁷(Hofstede, Vietnam - Geert Hofstede, 2015)

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Meeting wise, during the first meeting with a Romanian businessperson, one should be accompanied by a local intermediary, preferably a mutual acquaintance, as to make the meeting as efficient as possible. The intermediary would also help with organizing further meetings and activities, as the Romanian business environment is often chaotic and very difficult to understand for an outsider.

Romanians see negotiations as problem solving process, both parties being responsible for the outcome, be it positive or negative. Moreover, they have proven to have a tendency of focusing on the short term profit, given the changing social and economic environment. However, this does not mean that they are willing to sacrifice their relationship with their counterpart for short term winnings. Win-win situations are the preferred outcome for Romanian negotiators. In case of disputes, which are always a possibility, foreign negotiators may always fall back on logical arguments thanks to this preference.

Another consequence of this preference towards win-win situations and having a good relationship with their partners, Romanian negotiators tend to avoid aggressive techniques. For example, if they happen to use threats and warnings, they are unfounded, meant only to deceive their counterparts. Thus, extreme approaches are considered as being evidence of bad faith and must be avoided around foreign parties.

However, this does not mean that Romanians will shy away from using manipulation tactics, such as dissimulation or sending false non-verbal signals, as to trick their counterpart into thinking they are not interested in their offer or even the entire objective of their meeting. They could even resort to offering false information as to obtain certain advantages or to obtain certain information from the other negotiator. A tactic Romanian negotiators use is the simultaneous use of manipulation techniques, integrated within their actual behaviour.

Emotional techniques are also present in a Romanian negotiator's arsenal. They are not unfamiliar with making their partner feel guilty about the offer they have made or relying on their personal relationship with him to obtain certain advantages. At the same time, they may employ defensive tactics, such as changing the subject, demanding evidence to support one's offer or making promises, which may or may not be fulfilled.

Romanian-Vietnamese negotiations

Both the Romanian and the Vietnamese negotiation teams come from cultures which value relationships and connections. During their meeting, both parties will try to save face, maintaining a very professional demeanour, slowly getting comfortable with one another. Once a certain degree of comfort has been achieved, by both parties, the negotiations will move faster, allowing for a more favourable outcome.

Moreover, for a negotiation, it is safe to assume both the Romanians and the Vietnamese will send senior members of their staff to the meeting. Both come from high Power Distance cultures, the status, professional and social, being of the upmost

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importance. For a company, not sending someone who is very important within the company is akin to starting the whole negotiation process on the wrong foot and placing yourself at a great disadvantage, possibly compromising the deal.

An interesting particularity of a meeting between the two parties is the general calmness of it. The Vietnamese, coming from an Asian society, are very calm people, rarely losing their temper. This calmness allows them to nearly always be rational and listen to logical arguments. Romanians, however, are more prone to losing their temper during a meeting, despite their usually calm nature.

Despite this, given the importance they give to their relations, Romanians, and Vietnamese, will try to work towards win-win situations. Coming back to the Romanians' temper, when put in front of losing the deal due to their attitude, they will generally relax and allow themselves a moment to recollect and return to logic.

Conclusions

Romania and Vietnam come from two very similar places, while being half a world apart. They share a similar communist history with effect being felt to this very day. While they have certain particularities outside of Hofstede's cultural dimensions, their general behaviour, values and beliefs are roughly the same.

These similarities translate to common behaviour during negotiations, the parties becoming comfortable with each other at a much faster rate as they know what to expect from their counterparts. Both teams will, usually, maintain their composure, even if the meetings extend over numerous sessions of negotiations, deal arrangement, due diligence and so on. This is especially important since Romanians will take their time writing up the contract, due to their aversion towards risk.

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