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*WS*

THE WHITE HOUSE  
WASHINGTON

November 10, 1982

GI  
11/14  
Patsy  
Your idea is  
under review.  
Let's hold off  
further action  
until the review  
is completed.  
CF

MEMORANDUM FOR CRAIG L. FULLER

FROM: FRED F. FIELDING 

SUBJECT: Cabinet Member Gifts to Foreign Officials

By your note of October 10, 1982 you asked that I review the "gift procedure" proposed by a member of your staff and Mary Power of the White House Gift Unit, and advise you as to whether it appears to be worthwhile. The proposal, which would establish the Gift Unit as the point of coordination for all gifts given by Cabinet members to foreign officials, is contained in the attached draft memorandum which you would send to all Cabinet members.

Upon receipt of your note, we contacted the Office of Protocol, Department of State, to discuss the procedure currently employed by that office, in connection with gifts to foreign officials. In that connection, as you may know, 22 U.S.C. § 2694(1) dictates that:

[N]o appropriated funds, other than funds from the "Emergencies in the Diplomatic and Consular Service" account of the Department of State ["confidential fund"], may be used to purchase any tangible gift of more than minimal value (as defined in section 7342(a)(5) of Title 5, United States Code) for any foreign individual unless such gift has been approved by the Congress.

Further, § 2694(2) requires that:

[T]he Secretary of State shall annually transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report containing details on (1) any gifts of more than minimal value purchased with appropriated funds which were given to a foreign individual during the previous fiscal year, and (2) any other gift of more than minimal value not obtained using appropriated funds.

See also 077375CA

The Office of Protocol advised that the State Department's § 2694(2) report for FY 82 is currently in the final stages of preparation and will be forwarded to the Congress very shortly. That filing will include all gifts given to foreign officials by the President, Vice President and Secretary of State, the retail values of which exceed the "minimal" value, which currently is \$140. The filing will indicate the retail value, the cost (which occasionally differs from retail value), to whom the gift was presented, etc.

No requests were made during FY 82 by other agency heads to use appropriated funds contained in the "confidential fund" for the purchase of gifts for foreign officials. Thus, either no gifts exceeding \$140 in retail value were purchased and presented to foreign officials by Cabinet officers or, if any such gifts were purchased and presented, funds other than those in the "confidential fund" were used. To guard against the latter, and to ensure the accuracy of future § 2694(2) filings, the Office of Protocol is currently drafting a form which it intends to distribute to heads of federal agencies. The form will request that agencies catalog all gifts given by its officers to foreign officials. The completed form will be returned to the State Department at the end of FY 83 for the State Department's use in connection with the preparation of its § 2694(2) filing.

We discussed with the Office of Protocol our related concern that there be some effort to coordinate gift giving to foreign officials to avoid, among other things, embarrassment which would result from duplication of gifts, inconsistencies between value of gifts given and the ranks of recipients, etc. The Office of Protocol agrees that these are potential problems which should be avoided. Accordingly, it was agreed that the Office of Protocol will provide us with an advance copy of the form they propose to distribute to the agencies. That draft will be reviewed by this office to determine whether our concerns can be addressed by the addition of language to that document or by attaching to it an additional memorandum. Obviously, if that can be accomplished and these related concerns addressed simultaneously, the potential for creating confusion within the agencies will be reduced.

I spoke today with the Office of Protocol and was advised that we should receive their draft questionnaire within the next few days. Upon receipt of that draft, I will provide you with my suggestions.

MEMORANDUM FOR ALL CABINET MEMBERS

FROM: Craig L. Fuller

A number of Cabinet Members visit foreign countries and have occasion to present gifts to high-ranking foreign officials. I believe it would be beneficial to have a central repository for information regarding gifts given so that no duplication occurs. It may also be helpful to know the fair market value of the gifts with an eye toward standardizing amounts spent. When different amounts are spent by the President and Cabinet Members, we have the potential for misunderstandings and embarrassment for the President.

We have developed the attached form to assist us in keeping a file of gifts given. This file will be maintained by the White House Gift Unit and will list, by country, all gifts given by the President or Cabinet Members.

When you are planning for an event requiring a gift to a high-ranking foreign official, please have your office contact the White House Gift Unit at 456-2350. They will advise on the appropriateness of your gift or assist in selecting an appropriate gift. After a gift has been given, please submit a completed form to the White House Gift Unit.

WHITE HOUSE GIFT REGISTER

GIFT INTENDED FOR:

Name and Title \_\_\_\_\_

Country \_\_\_\_\_

Circumstances of Presentation \_\_\_\_\_

Date \_\_\_\_\_

Location \_\_\_\_\_

Description of Gift \_\_\_\_\_

U.S. Retail Value of Gift \_\_\_\_\_

GIFT PRESENTED BY:

Name and Title \_\_\_\_\_

Department \_\_\_\_\_

Return to: Ms. Mary Power  
Room 494 OEOB

THE WHITE HOUSE  
WASHINGTON

October 1, 1982

NOTE TO CRAIG FULLER *paf*

FROM: Patsy Faoro

SUBJECT: Cabinet Gifts to Foreign Officials

What do you think of the attached draft memo and form for the Cabinet? Mary Power thinks it's a great idea and would be very helpful. Do you have any additional thoughts on the subject?

Attachments

*10/10*  
Fred Fielding  
What do you think about  
the attached gifts procedure?  
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up - is it worthwhile?  
CF

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Name and Title \_\_\_\_\_

Department \_\_\_\_\_

Return to: Ms. Mary Power  
Room 494 OEOB

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

WS

072943CA

GI

November 10, 1982

FOR: FRED F. FIELDING  
FROM: DAVID B. WALLER *DBW*  
SUBJECT: Cabinet Member Gifts to Foreign Officials

Attached for your review and signature is a proposed interim report to Craig Fuller on the referenced project.

As you will see from the memorandum, we will provide Craig our final views upon receipt from the Office of Protocol of a form regarding this subject they are preparing for circulation to agency heads.

THE WHITE HOUSE

WASHINGTON

November 10, 1982

MEMORANDUM FOR CRAIG L. FULLER

FROM: FRED F. FIELDING *Orig. signed by FFF*

SUBJECT: Cabinet Member Gifts to Foreign Officials

By your note of October 10, 1982 you asked that I review the "gift procedure" proposed by a member of your staff and Mary Power of the White House Gift Unit, and advise you as to whether it appears to be worthwhile. The proposal, which would establish the Gift Unit as the point of coordination for all gifts given by Cabinet members to foreign officials, is contained in the attached draft memorandum which you would send to all Cabinet members.

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FFF:DBW/kl  
FFFielding  
DBWaller  
Subj.  
Chron.

*David*

ID # 072943 CA

### OFFICE OF CABINET AFFAIRS ACTION TRACKING WORKSHEET

Action resulting from:  
 document (attached)  
 telephone call  
 meeting (attach conference report if available)

Document Date: 82 / 10 / 01

From: Patsy Faoro

Date Received:    /   /   

Subject: Cabinet Gifts to Foreign Officials

**ACTION CODES:**

A — Appropriate Action

D — Draft Response

R — Direct Reply w/Copy

B — Briefing Paper

F — Furnish Fact Sheet

S — For Signature

C — Comment/Recommendation

I — Info Copy Only/No Action Necessary

X — Interim Reply

**ROUTE TO:**

Date Sent	Name	Action Codes	Date Due	Action Taken
<u>82 / 10 / 13</u>	<u>1. Fielding</u>	<u>C</u>	<u>82 / 10 / 22</u>	
<u>   /   /   </u>				
<u>   /   /   </u>				
<u>   /   /   </u>				
<u>   /   /   </u>				
<u>   /   /   </u>				

COMMENTS: 1. See Fuller note on attached.

Originator:  Dunlop  Faoro  Fuller  Gonzalez  Hart  Hodapp

**KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING MATERIAL AND WHEN THE ASSIGNED ACTION IS COMPLETE, RETURN TO:**

Office of Cabinet Affairs  
Attention: Karen Hart (x-2823)  
West Wing/Ground Floor

THE WHITE HOUSE  
WASHINGTON

October 1, 1982

NOTE TO CRAIG FULLER *paf*  
FROM: Patsy Faoro  
SUBJECT: Cabinet Gifts to Foreign Officials

What do you think of the attached draft memo and form for the Cabinet? Mary Power thinks it's a great idea and would be very helpful. Do you have any additional thoughts on the subject?

Attachments

10/10  
Fred Fielding  
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Mary Power and a member  
of my staff called this  
up - is it worthwhile?  
CF

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A number of Cabinet Members visit foreign countries and have occasion to present gifts to high-ranking foreign officials. I believe it would be beneficial to have a central repository for information regarding gifts given so that no duplication occurs. It may also be helpful to know the fair market value of the gifts with an eye toward standardizing amounts spent. When different amounts are spent by the President and Cabinet Members, we have the potential for misunderstandings and embarrassment for the President.

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Name and Title \_\_\_\_\_

Country \_\_\_\_\_

Circumstances of Presentation \_\_\_\_\_

\_\_\_\_\_

Date \_\_\_\_\_

Location \_\_\_\_\_

Description of Gift \_\_\_\_\_

\_\_\_\_\_

U.S. Retail Value of Gift \_\_\_\_\_

GIFT PRESENTED BY:

Name and Title \_\_\_\_\_

Department \_\_\_\_\_

Return to: Ms. Mary Power  
Room 494 OEOB

EF

077375CA

GI

WVS

THE WHITE HOUSE

WASHINGTON

July 21, 1982

NOTE TO BECKY NORTON DUNLOP

FROM: Patsy Faoro *paf*

SUBJECT: Gifts by Cabinet Members to Heads of State

I have spoken to Mary Power, who is head of the Gift Unit here at the White House, concerning the attached memo to Craig.

Mary was very receptive to Tom Nassif's ideas and has suggested that she could keep a file on each country, listing gifts given/received by the President and the Cabinet Members to/from Heads of State. In order to proceed with this plan, however, she has requested that Craig write a memo proposing the above for John Roger's approval.

I am attaching a guide called "International Business Gift-Giving Customs", which could be very useful to Cabinet Members travelling to foreign countries. Also, if Craig wants to get more involved, I would be happy to work with Mary on some proposals designed to assist the Cabinet in gift situations involving foreign leaders.

*ok*

*I'll sign one --*

*3*  
*BAUD*

*not me, but believe Patsy should pursue ... it strikes me as a good way to keep Cabinet members out of trouble.*  
*CF*

see also 072943CA

**OFFICE OF CABINET AFFAIRS  
ACTION TRACKING WORKSHEET**

Action resulting from:  
 document (attached)  
 telephone call  
 meeting (attach conference report if available)

Document Date: 82 / 03 / 04  
 From: CL Fuller

Date Received: 82 / 07 / 12

Subject: Gifts by Cabinet Members to Heads of State/Government

**ACTION CODES:**

- A — Appropriate Action      D — Draft Response      R — Direct Reply w/Copy
- B — Briefing Paper          F — Furnish Fact Sheet      S — For Signature
- C — Comment/Recommendation    I — Info Copy Only/No Action Necessary    X — Interim Reply

**ROUTE TO:**

Date Sent	Name	Action Codes	Date Due	Action Taken
<u>82/07/13</u>	<u>(1) Faoro</u>	<u>—</u>	<u>1 / 1</u>	<u>information and</u>
<u>82/07/21</u>	<u>BND</u>	<u>—</u>	<u>1 / 1</u>	<u>Recommendation attached</u>
<u>82/07/21</u>	<u>(2) Fuller</u>	<u>—</u>	<u>1 / 1</u>	
<u>82/08/10</u>	<u>(3) Dunlop</u>	<u>—</u>	<u>1 / 1</u>	
<u>82/08/11</u>	<u>(4) Faoro</u>	<u>A</u>	<u>82/08/20</u>	
<u>83 / 11 / 03</u>	<u>(5) KH TR</u>	<u>—</u>	<u>1 / 1</u>	

COMMENTS: (1) check with the gift unit  
(2) How do you wish to proceed?  
(3) (see next page)  
(4) draft a memo for CLF's signature / work <sup>with Mary</sup> to set up plan - keep me in the loop.  
(5) John Hilbaldt had this. It should be closed.

Originator:  Dunlop     Faoro     Fuller     Gonzalez     Hart     Hodapp

**KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING MATERIAL AND WHEN THE ASSIGNED ACTION IS COMPLETE, RETURN TO:**



United States Department of State  
The Chief of Protocol  
Washington, D.C. 20520

March 4, 1982

MEMORANDUM

TO : Mr. Craig Fuller  
The White House

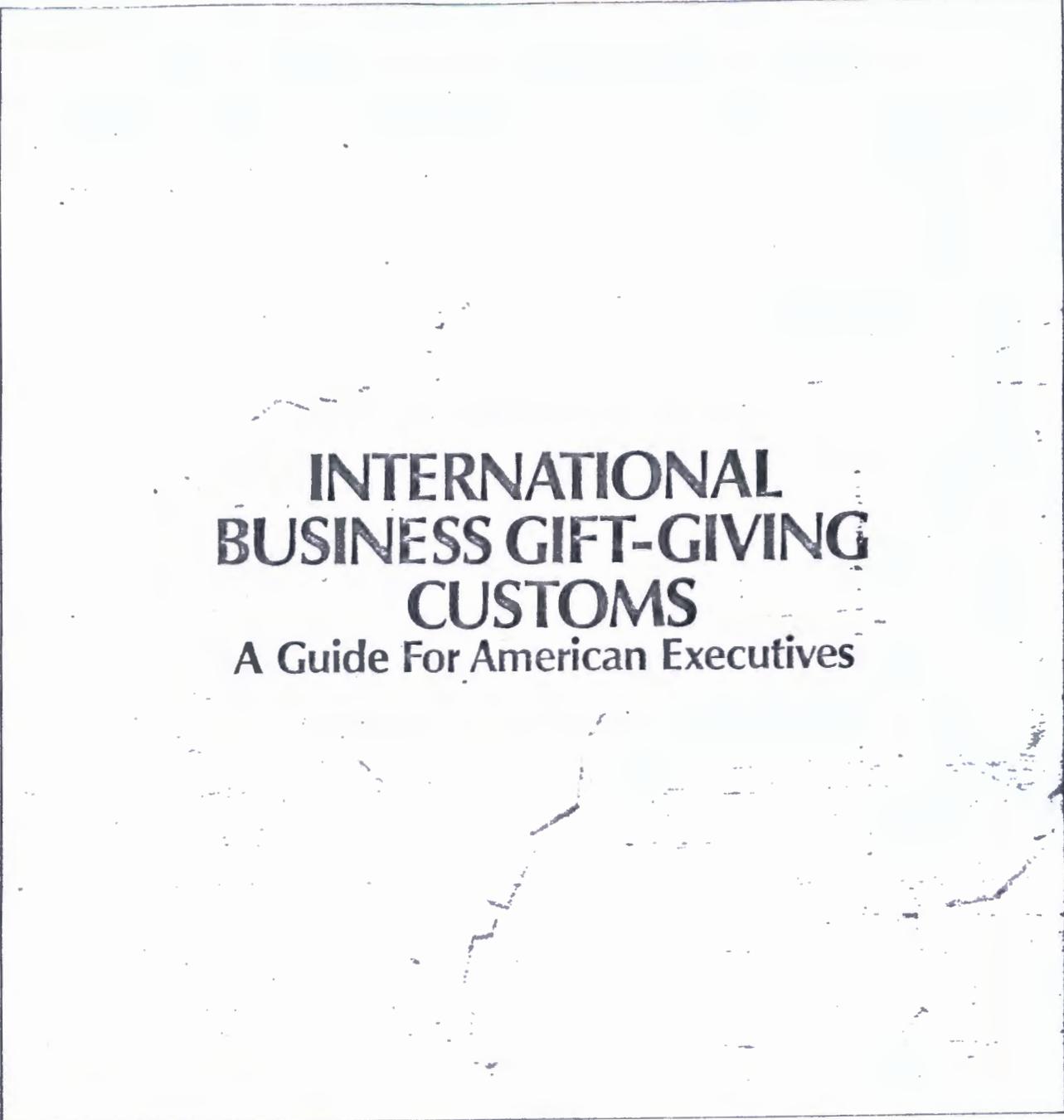
FROM : S/CPR - Thomas A. Nassif, Acting

SUBJECT : Gifts by Cabinet Members to Heads  
of State/Government

Various Cabinet members visit foreign heads of state/government and present gifts. I believe it would be beneficial and appropriate that there be a central repository for information regarding gifts given so that no duplication occurs. It may also be appropriate to know the fair market value of the gifts with an eye toward standardizing amounts spent. When different amounts are spent by the President and cabinet members for gifts to heads of state we have the potential for misunderstandings and embarrassment.

I would appreciate your thoughts with regard to this subject matter at your earliest convenience.

cc: S - Mr. Sherwood Goldberg



**INTERNATIONAL  
BUSINESS GIFT-GIVING  
CUSTOMS**  
A Guide For American Executives

From a Study by  
**Dr. Kathleen Reardon**  
Professor of Communication Sciences  
University of Connecticut

Sponsored by

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**THE PARKER PEN COMPANY**

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## PREFACE

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The etiquette of international business gift giving is not generally included in an MBA's education. I know of no text books on the subject and few companies have specific guidance for executives in their corporate manuals.

Yet, giving gifts is as much a part of the fabric of world business as it is of our social lives. Almost all Americans who have traveled overseas on business have given gifts for strategic, courtesy or personal reasons. But have our gifts always achieved their purposes? Probably not, according to this study.

It is a problem we have faced at The Parker Pen Company for some time, even though we have been in the gift business for nearly 95 years. We have been international traders since the beginning of this century and currently sell our products in 160 world markets. More than 80 percent of our sales are generated from outside U. S. borders. Even so, we found our files on gift-giving practices and customs incomplete and decided to undertake a pilot survey on the subject.

If a traveling business executive wants to acknowledge, by some minor gift, the cordial treatment received from a host, he or she is faced with a number of questions. What type of gift would the host most appreciate? How expensive should it be? Should it be gift-wrapped? Should the host's wife be included in the presentation? Consequences of the wrong assumptions can range from merely being considered uninformed to the possibility of losing a valued customer or contact for your company.

We asked Dr. Kathleen Reardon, communication sciences professor at the University of Connecticut and an acknowledged specialist in persuasion theory, to conduct this study for us. After some 125 interviews with much-traveled executives from Fortune 500 companies and other enterprises that do business overseas, she has produced information that I believe could be of real help to Americans who travel abroad on business.

Most of those interviewed reported committing a few gift-giving gaffes at some point in their careers. And, what they learned in one experience did not help them later when they moved on to another country where new sets of rules applied.

I believe that developing an understanding of the differences in cultures and behaviors around the world will greatly help Americans in working with their foreign business counterparts and may well help smooth the paths of international commerce.

Exports are of great importance to the United States these days. With the need for America to remedy the unfavorable gap between imports and

exports, I expect many more companies will be sending sales, technical or other representatives overseas in the near future.

Perhaps a review of the results of Dr. Reardon's survey will allow them to do international business with a little more confidence.

Willi Sieberger,  
President, Writing Instruments Group  
The Parker Pen Company

## INTRODUCTION

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Gift giving is a form of communication. It is also a form of communication that is a prevalent and important aspect of business — particularly international business.

This remarkably under-studied mode of communication is an area of considerable concern to the international business person, as evidenced by the extremely low rate of rejection (nine percent) experienced by the two telephone surveyors for this study, and by the fact that 84 percent of the respondents said they could benefit from an international gift-giving guide.

This report is a pilot study focusing on a single type of communication common in international business settings — the gift exchange. It does not attempt to cover the world, but concentrates on the five areas most frequently mentioned by the international travelers who were questioned.

In addition to providing the results of an international gift-giving survey, it may afford the reader insights into some of the cultural differences he or she may face — and the impact of those differences on a successful business mission.

Few of the men and women interviewed for this study described gift giving and gift receiving as comfortable activities. Aware of the potential for gifts to be misinterpreted, businesspersons are also aware of the attention they must devote to individual relationships. Mr. Ernest De La Ossa, former president of Foremost-McKesson, Inc., when interviewed for this study, explained, "The business person is also a social animal, not just a business animal." As such, he or she must avoid making even innocent mistakes. Some countries, such as the Peoples Republic of China, are not, by our standards, cosmopolitan. Foreign standards are not readily available there, so American businesspersons will be judged by the traditional home standard of China. An innocent mistake can be interpreted as an inability "to give face," an impression no astute businessperson wishes to impart.

To help the international business person avoid unintended offense or an unwanted obligation when presenting gifts, it is important that the giver understand how such behavior is interpreted in other countries.

A good rule is to give with thought more than money. Thoughtfulness is appreciated all over the world. It obligates others to think of you as a person. Such obligation does not fit the American definition of bribery. And it can go a long way toward securing your business opportunities.

Much of this study is devoted to avoiding embarrassment in foreign gift giving. Each of the

sections entitled "Some Useful Guidelines" were derived from research on specific cultures and the suggestions of the study respondents.

The best advice is to do your homework. This means familiarizing yourself with colors, shapes, numbers and gift merchandise which may cause offense. Also, be sure that any gift you take will make it through customs and that, if you send a gift, the recipient will not have to pay a tax on it.

It is hoped that this report will help businessmen and women face the challenge of building bridges where impenetrable cultural walls once stood.

Dr. Kathleen Reardon  
University of Connecticut

The successful presentation of a business gift in a foreign country can only be accomplished through an understanding of other customs and cultures in relation to our own. This chapter examines some of the cultural differences the American gift-bearer may encounter, as presented by respondents in this study and from readings of secondary sources.

According to many sources, American businesspersons are ill-prepared to conduct business in any culture other than their own.<sup>1</sup> They are unfamiliar with the "hidden dimensions" that frequently play a fundamental role in international business transactions. Suzanne Reynolds, director of import services for the National Council on U.S.-China trade, believes, for example, that "American companies tend to come on a little bit too strong. They immediately want to rush into their own business problems and demands. With the Chinese, for example, you have to drink a little tea. Getting to know one another is very important."<sup>2</sup>

Whether it is drinking tea with the Chinese, engaging in seemingly endless issues discussions with the French, determining when a Japanese businessman has said "no" without saying it directly, or stifling one's own desire to talk business over dinner with the British, the American businessperson will be challenged at first by the natural propensity to do things the American way. We surpass members of several other cultures in "ethnocentrism," perhaps because we are primarily surrounded by oceans rather than other countries. We have not had to learn other ways to get by. In addition, because our country and our language have been dominant in the world since World War II, we consider our society the most modern on Earth, and we typically believe that to modernize is to Westernize. Pride in our technological leadership encourages an overall sense of superiority and, says Norman Daniels, engenders a missionary spirit leading to a tendency to impose our culture on others.<sup>3</sup> Under such circumstances even the drinking of tea when one wishes to do business can be a source of frustration.

### Limited Language Proficiency

While we might rightfully resign ourselves to the fact that few can transcend the mental constraints of

their culture altogether, we can enter into negotiations with our foreign counterparts in a temporary frame of mind conducive to business success. To do so requires some understanding of oneself and the others involved. Let's look at some of the characteristics mentioned by the executives interviewed for this study that might inhibit business effectiveness in other lands.

The first potentially inhibiting characteristic of the American international businessperson is limited language proficiency. Americans live in what is primarily a one-language society. Our citizens often must rely on interpreters when traveling to foreign lands. This can be a distinct disadvantage in a country, like France, where respect is won by speaking the native tongue.

Moreover, we usually are unfamiliar with the body language of other cultures. For example, in many Arab countries the feet are considered unclean and so pointing the sole of the foot at an Arab may inadvertently cause an insult. In China an understanding of the intricate ritual of toasting and reciprocal toasting at banquets is important to establishing friendly relations. And in the African Masai society, spitting upon a departing stranger is sometimes used to say "go in peace."<sup>4</sup>

While the typical American businessperson is not likely to spend much time with the Masai warriors, he or she may encounter many other unfamiliar nonverbal languages. For example, chivalry may be gasping for air in the United States, but in France it is alive and well. Handkerchiefs may be a nice gift in the U.S., but in Rio De Janeiro they mean that you wish the recipient tears.<sup>5</sup> And, flashy dress in China is considered, at the very least, poor taste. These examples indicate that it is not sufficient to study only the verbal language of another country. To conduct business effectively requires sensitivity to the nonverbal language as well.

### Ethnocentrism

Dr. Howard Van Zandt, anthropologist and author of several books on Japan, believes that, "International businessmen, no matter where sent, normally find that their accomplishments and personal contentment are in direct proportion to the amount of time they give to the studying of the foreign country in which they work. The ambitious ones, therefore, devote a substantial part of their spare time to learning about

<sup>1</sup> See for example, Edward Hall, "The Silent Language in Overseas Business," HARVARD BUSINESS REVIEW, November-December, 1970; Nancy Henderson, "Doing Business Abroad: The Problem of Cultural Differences," BUSINESS AMERICA, December 3, 1979, pp. 8-9; Boye De Mente, JAPANESE MANNERS & ETHICS IN BUSINESS, Arizona: Phoenix Books, 1981.

<sup>2</sup> Henderson, p. 8.

<sup>3</sup> Norman Daniels, THE CULTURAL BARRIER, Great Britain: Edinburgh University Press, 1975, p.7.

<sup>4</sup> Judy Felt, "Kenya: A Cross-Cultural Study," Paper prepared for the Overseas Briefing Center School of Area Studies, Foreign Service Institute, U.S. Department of State, 1980.

<sup>5</sup> Franchon Silberstein, "A Cross-Cultural Study of Rio De Janeiro," Prepared for the Overseas Briefing Center School of Area Studies, Foreign Service Institute, U.S. Department of State, 1980.

## The American Business Traveler

the history, geography, language, politics, economy, customs, and manners of the host country.<sup>6</sup>

Dr. Van Zandt says only one in five Occidental executives in most of the countries of Southeast Asia and Japan is successful. The successful ones most typically spend time studying the culture of those with whom they will be transacting business. One business executive interviewed for this study described adjustment to other cultures as "the key to international commerce."

Many of the businessmen who were asked, "To what extent should a businessperson working in a foreign country adjust to that culture?" responded with terms such as "absolutely," "totally," "completely." Thirty-eight percent considered extensive adjustment imperative. Fully 97 percent of those queried felt some adaptation to the customs and mores of those in the other culture was necessary to business success. These results, and opinions such as those of Dr. Van Zandt, strongly suggest that experienced international businesspersons do not underestimate the importance of being sensitive to the foreign cultures in which they work.

It is difficult for most people to recognize other cultural perspectives as valid representations of the world. Each of us prefers the certainty of our own world view over the seeming complexity or backwardness of others. When this preference becomes an "exaggerated tendency to think the characteristics of one's own group or race superior to those of other groups or races,"<sup>7</sup> then the result is "ethnocentrism." The symptoms of this *Weltanschauung* are often easier to recognize in others than in ourselves.

An unconscious preference for our own kind is never more apparent than in the observation of Americans meeting for the first time in a foreign country. Instant, unqualified friendships result — an unnatural occurrence in America. One executive related a story to this researcher which also illustrates how unaware Americans are of their ethnocentrism. He told of a U.S. serviceman who came across a Mandarin visiting the graves of his ancestors. The Mandarin was putting fruit on their graves. The smug American asked him, "When do you expect your ancestors to get up and eat the fruit?" The Mandarin replied, "As soon as your ancestors get up and smell the flowers."

Wise business travelers acquaint themselves with their own idiosyncracies of behavior. They try to transcend automatic adherence to customs that are only appropriate in their own cultural context.

They realize that there are many ways to accomplish the same end in this world. They recognize, as Paul Braisted does, that "No particular cultural outlook can claim to be universal or immutable, be the claim that of antiquity and continuity, or of doctrine and dogma."<sup>8</sup>

### Primarily Male

Only 10 percent of the respondents in this study were women. Most American businesswomen do not yet hold upperlevel positions involving world travel; the typical business traveler is a man. Much research indicates that men are less sensitive to others than women? Perhaps our culture encourages nurturant behavior from women and competitive behavior from men. Whatever the reason, American males are ill-prepared for the emotionally expressive behavior and attention to courtesy prevalent in many other areas of the world.

Dr. Hugo Penata, anthropologist at American University, considers the American male's upbringing, which teaches him to suppress his emotions, a considerable handicap to effective business transaction in Latin countries, for example. An entirely different orientation to emotional expression also exists in Japan. Dr. Howard Van Zandt notes that the greatest single cause of difficulty for foreign managers in Japan is personal relations, and that a lack of understanding of "amaeru" is at the root of the trouble.<sup>9</sup>

"Amaeru" is a longing to be looked after and protected — a prescribed dependence. It is, according to Dr. Van Zandt, one of the forces that have led to the lifetime employment system in Japan. The Japanese are completely loyal to the organizations for which they work. They have a group spirit and a stronger obligation to the group than to the self. Their own personal emotions are suppressed for the good of the group. The proverb, "No aru taka was tsume wo kakusu" (An able hawk hides his talons), illustrates the Japanese view of emotional expression.

This inability to comfortably express emotions is of particular relevance to research on international business gift giving. Of the 25 Fortune 500 executives personally interviewed for this study, 84 percent described gift giving as involving emotion. Gift giving suggests interdependence. It borders on a territory of male interpersonal relations unfamiliar to the American businessman because he has been trained to suppress his emotions. Taught from early childhood

<sup>6</sup> Howard Van Zandt, *NEW FACTS ABOUT JAPANESE AND AMERICANS*, Tokyo: Charles E. Tuttle Co., Inc., pp. 5-6.

<sup>7</sup> J.A. Drever, *A DICTIONARY OF PSYCHOLOGY*, England: Penquin, 1952.

<sup>8</sup> Paul J. Braisted, *TOWARD A NEW HUMANISM*, New Haven: The Hazen Foundation, 1975.

<sup>9</sup> See Barbar W. Eakins and R. Gene Eakins, *SEX DIFFERENCES IN HUMAN COMMUNICATION*, Boston: Houghton Mifflin Co., 1978.

<sup>10</sup> Howard F. Van Zandt, "How to Negotiate in Japan," *HARVARD BUSINESS REVIEW*, November-December, 1970, p. 47.

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that feelings are to be controlled, channeled, repressed or forced into modes of expression which are imposed by external, social standards, gift giving can be troublesome to the American male. And so the gift-giving behavior of the typical American businessman continues to consist of what one executive described as "a blush and a thrust."

### Impatient

Americans do not really subscribe to the old adage that anything worth having is worth waiting for. On the contrary, we tend to believe the reverse: anything worth waiting for is not worth having. This is not so in other cultures. The Japanese have learned that Americans are vulnerable to long waits. According to one Japanese man, "You Americans have one terrible weakness. If we make you wait long enough, you will agree to anything."<sup>11</sup>

The American disregard for cultural perspectives on time can create bad impressions. In India, for example, it is considered improper to discuss business at the home on social visits. This is troublesome for the American who believes that business is exempt from the rule—"There is a time and place for everything." Americans discuss business everywhere—over dinner, even at midnight—time is of the essence. Americans also expect periodic indications of progress. In many other cultures, indications of progress are subtle. Anything else is viewed as an interruption of the natural order of things. The Arab businessman is also a challenge for the American. He has a strong preference for a person-oriented approach to business; in order to accomplish this end, he takes his time. Farid Muna, author of *The Arab Executive*, explains:

When starting a business discussion, the Arab executive will invariably engage in social talk and amenities with his guest for what may seem a long time. The guest is first offered coffee, tea, or soft drinks. Then for a period ranging from 2 to 15 minutes, the executive and his guest would talk about several topics of interest to both parties provided it is not the subject of the business at hand. It is generally regarded as "impolite" or even "shocking" to start immediately with the business discussion.<sup>12</sup>

Gift giving may seem time consuming. But, it is an important part of relationship development in many countries. Like other amenities, it seems somewhat of a nuisance to the less experienced executive. Our investigation indicates that, to the

experienced international business traveler, it is considered time well spent.

### Family Man

When the American businessman discusses his family it suggests that he has a stable homelife, that he is reliable. He entertains domestic and foreign visitors at his home and both he and his wife are at liberty to discuss his business with others at the dinner table.

This type of social gathering is not the norm in many other countries. The Japanese businessman, for example, is not likely to invite you to his home. He prefers outside entertainment. Joint social affairs have little appeal to the Japanese, so the women rarely attend business dinners. In Japan the emphasis is upon "the complementarity" of roles, not upon sharing. The critical family bond is between mother and child, not between husband and wife.<sup>13</sup>

As another example, sexuality and the role of women is a far more sensitive topic in the Arab countries than in Japan. According to Raphael Patai, author of *The Arab Mind*, women are always potential sources of shame to their male family members. To the Arab, strict segregation of the sexes is the norm. The American businessman is, therefore, unlikely to see his Arab counterpart's wife or wives. He should never ask how she is, or they are, and, if he does have the good fortune to meet her or them, he should feel complimented and act conservatively, expressing his admiration with restraint.

### Profit Oriented

Although it might border on absurdity to deny that money talks, it is essential that the American businessperson realize that it does not speak the same language the world over. Money and material possessions provide us with some indication of our status and that of our acquaintances. Unlike countries where caste or firm class systems indicate from birth the extent of one's potential, ours is a rapidly shifting system with far fewer definitive indicators of position. We use clothes, cars, accessories and office furnishings to tell people who we are and who we are not. We use salaries to motivate employees, and loyalty may go to the highest bidder rather than to the business friend.

This profile of the U.S. businessperson is not meant to suggest that we are completely insensitive or that we are unethical. On the contrary, U.S. citizens are very much influenced by their Puritan heritage.

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<sup>11</sup> Hall, "The Silent Language in Overseas Business," p. 89.

<sup>12</sup> Farid A. Muna, *THE ARAB EXECUTIVE*, New York: St. Martin's Press, 1980, p. 20.

<sup>13</sup> Mary Ellen Piez, "Cross-Cultural Living in Japan," Prepared for the Overseas Briefing Center School of Area Studies, Foreign Service Institute, U.S. Department of State, p. 28.

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Ethics are so important that we pass legislation to insure the fair practice of business in foreign lands. This controversial practice has made most businessmen and women quite cautious in their gift-giving and gift-receiving practices. According to Wilton Dillon, director of seminars at the Smithsonian Institute, our caution has made it difficult for us to receive anything without feeling some doubt about its legitimacy. He explained during a personal interview for this study that the Puritan emphasis on giving to others has impeded our learning how to receive.

It seems that American businesspersons are somewhat torn between the profit motive and the rule "It is better to give than to receive." This is not the case for the Arab businessman, whose allegiance to family is his primary motivation. He prizes a reputation for generosity and frowns upon the rich man who does not spend freely. Similarly, the Japanese feel no compunction about spending large sums of money to entertain visiting businessmen. In Japan even the clerk in a store is likely to have an expense account for entertainment. The government encourages social spending. Social expenses below 25 percent of the company capital are tax free each year. Businesses can deduct 50 percent of business lubrication expenses that exceed the 25 percent limit.<sup>14</sup> If the money is not spent on business entertainment, it will be taken into the government coffer.

In Nigeria, one must pay "dash" (a bribe) to many people, even en route to the hotel. One executive interviewed for this study explained, "It's as natural as tipping at restaurants and in taxi cabs is here."

Given this blatant disregard of what Americans view as ethics, it seems odd that we, above other countries, should have the reputation of being motivated by profit. Edward Hall suggests that "our own failure to recognize binding obligations, plus our custom of setting organizational goals ahead of everything else, has put us in hot water far too often."<sup>15</sup> He adds, "People sometimes do not keep agreements with us because we do not keep agreements with them. As a general rule, the American treats the agreement as something he may eventually have to break."<sup>16</sup>

Just as we view our foreign counterparts through a haze of stereotypes, so they see us. It is always wise to be aware of the culturally determined biases and expectations of others.

### Quick to Friendship

We in the United States often use the term

"friend" very loosely. Our friends come and go in this highly mobile society. Lifetime friendship is extremely rare. There are few well-defined rules governing obligation to friends.

As a result of this view of friendship, the American moves very quickly to a personal level when engaging in conversation. He likes to use first names and looks unfavorably upon someone who prefers to be formal about such matters. Moreover, most Americans feel comfortable teasing and criticizing each other in public, with little regard for the target person's "face."

These tendencies, if uncurbed in other countries, are likely to have a detrimental effect on business transactions. For example, the Latins and the Arabs are slow to make friends and loyal to the people they do consider friends. The Chinese prefer to do business with people they know. They will sooner make a deal with a man who "gives them face" (carefully avoids causing any embarrassment) than with someone who offers the most profit. In India, one should not expect to receive return favors for friendship, since the Indian assumes that what he does for another is done also for the good of his own psyche.<sup>17</sup>

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<sup>14</sup> "The High Cost of Lubrication" THE JAPAN TIMES, January 19, 1967. p.5.

<sup>15</sup> Hall, "The Silent Language in Overseas Business," p. 93.

<sup>16</sup> *Ibid.*

<sup>17</sup> *Ibid.* p. 92.

Of the several regions of the world reviewed for this report, Western Europe is considered by most to be closest to our own culture. As such, it should have some fundamental rules of behavior in common with the United States. In fact, we might be inclined to assume that any gifts given by businesspersons in the United States would be equally welcome in Western European countries. This assumption would be patently false. The business-gifting tips which follow were provided by respondents to both the telephone and personal interview questions. Some of the information was located in previously published material.

### France

Perhaps the most obvious characteristic of the French is their obsession with history, which they view as replete with glory and as having important implications for the present. For the French, the past is reality. They trust the past far more than the present or future. Change is not particularly appealing to them. They cannot be rushed into decisions. Their attitude is "Plus ca change, plus c'est la meme chose": "The more things change, the more they remain the same." To the French, taking one's time is a sign of prudence. To offer a gift at the first encounter is likely to be considered quite gauche.

The French like to get down to business right away. However, they do not come to decisions rapidly. They enjoy conflict over issues. They wish to leave no rock unturned in their negotiations. And, unlike the Japanese, they do not avoid criticism if it serves to assure them of the integrity of a business offer.

This does not mean that the French are impolite. The French are very conscientious about manners. They do not move easily to a first name basis with visitors and are a bit taken aback by the foreigner who uses the familiar form "tu" (you) in business relations. The French are not particularly patient with persons who cannot use their language properly. If you cannot speak French, a knowledge of their culture and history may make up for it and leave a more positive impression on your French counterpart!<sup>18</sup>

The French appreciate personal accomplishments. Advanced education is particularly impressive. And, professional accomplishments bring great credit. Given this emphasis on personal achievement, the gift selected for a French businessman should compliment his intelligence. It should not be too personal, although an indication that the recipient's preferences were considered beforehand is impressive. Do not bring gifts for the home without considering the

person's taste. According to one expert on French culture interviewed for this study, bringing a home decoration as a gift is risky. The recipient will feel obligated to display it. If it does not fit his decor preferences, he may constantly be reminded of your lack of consideration in selecting the gift.

Flowers are a must when visiting a French home for dinner. Chrysanthemums, which represent mourning, should not be selected. Also, even numbers of flowers are inappropriate, and the number 13 should be avoided. As a rule, flowers should be sent to the home before dinner. If a gift is also given, it should be presented as soon as you enter the home. One respondent explained that to give a gift after the meal causes the gift to be interpreted as a reward rather than as a thoughtful gesture. An evening should end with compliments for the meal as the guest leaves the home to reinforce the compliments extended during the dinner. If you stay at someone's home for a few days, a gift made of silver is appropriate. Silver is almost always appreciated in Europe.

Women do have business careers in France. In 1978, 60 percent of all French women were employed!<sup>19</sup> The French businesswoman expects to be treated with professional respect. She knows that she is fighting a system that is slow to change, so the foreign businessman who shows her professional respect is likely to make a more positive impression. The gift you would give to a businessman in France is also the gift to give to the businesswomen, with the exception of liquor or some other obviously male-oriented gift. Do not give her perfume. Even if you know what perfume she likes, it is far too intimate a gift for a business relationship.

### West Germany

The Germans, like the French, are very proud of their rich heritage, their homeland. They are sensitive to criticism of their country and appreciative of those who understand and respect their history. They admire the British sophistication and subtlety. Ostentatious or garish gifts are to be avoided.

Manners are of utmost importance in Germany. The Germans are polite people, although their social distance often makes Americans feel uncomfortable. Nevertheless, they reciprocate politeness and appreciate the person who knows the proper behavior for the occasion. This means that gifts should not be given in Germany without considerable forethought concerning their appropriateness. Red roses, for example, are reserved for lovers and should, under no circumstances, be brought to a German home. The number 13 should be avoided, and even numbers

<sup>18</sup> Klaus Schmidt, SRI Report of the International Business Intelligence Program, Number 601, p. 30.

<sup>19</sup> *Ibid.*, p. 29.

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of flowers are inappropriate. Twenty-one unwrapped flowers, a box of fancy candies, a souvenir of your state or region (e.g., maple syrup), or something with intellectual or cultural significance is fine. Most gifts should be wrapped, but white wrapping, white bows, brown or black should not be used.

The chief executive officer of a large United States finance institution, when interviewed for this study, said of Germany, "The way you wrap a gift is very important. The trick is to wrap it nicely." He also suggested that cards always be enclosed with a gift, but they should not be printed cards. Instead, the giver should write something on a blank card to provide the gift with a personal touch. He advised further that logos be kept small. He also recommended that gifts not appear as if they were selected by a secretary and charged to a business account rather than selected and paid for personally.

Moderation in behavior of all types is the rule in German business. Gifts selected with this in mind are likely to be appropriate. This does not mean that gifts should be obviously inexpensive. Gifts should be moderately expensive, tasteful and given only after a rapport has developed. Let your German counterpart take the lead in moving a relationship to a less formal level. Observance of protocol, such as walking and sitting on the left side of a senior manager or a lady, will suggest to the German that you understand the manners of a dignified social class.

The Germans also appreciate well-planned entertainment. This means that you should not discuss the choice of a restaurant with your guest. Check in advance with his secretary, or someone who knows his preferences, before selecting a restaurant. You might suggest two possibilities, but this will at least indicate that you did some planning beforehand.

It is appropriate to invite the German's wife to dinner. You should remember that chivalry is not dead in Germany. Men rise whenever a woman leaves or returns to the table. Businesswomen are treated as ladies in Germany. It is unlikely, however, that businesswomen will be present at dinner since very few German businesswomen have reached management status.

Entertainment serves as a good gift in Germany. It should be carefully planned and somewhat formal, especially if women are present. Once you begin to establish a rapport with your German counterpart, some of these formalities may become unnecessary. It is not wise, however, to rush into friendship or informality in Germany.

### Great Britain

In Great Britain, appearance is everything. British private schools teach manners and self-discipline.

In British business, emotions are rarely expressed and protocol is given the utmost attention. A clear line exists between business and personal relationships, and first names are not used readily.

This emphasis on formality does not mean that the British are cold. Certainly they are not demonstrative, but they enjoy clever banter and are a social people. They prefer to not discuss business during evening entertainment. Entertainment is clearly a personal, rather than business, venture. Late morning meetings are usually followed by lunch, paid for by the person who suggests it. Entertainment in homes is common once a personal relationship has been established. Flowers or some very good liquor should be brought to the home.

Because gifts are not generally a part of British business, entertainment is the primary means by which gratitude or appreciation for a good relationship may be expressed. Dinner at a fine restaurant or an evening at the theater is likely to be appreciated. Small gifts that are clearly not intended to incur favor are also acceptable, especially if given to the wife or children. As in other regions of Europe, avoid perfume. It is too personal a gift. Of all the regions studied in this investigation, Great Britain emerges as one of the least gift giving. This may be due, in part, to the emotional connotations associated with gifts. Also, the clear line between business and personal lives observed in Great Britain renders much gift giving between businesspersons inappropriate. Whatever the reason, gifts are not a natural part of business. And, so, it is not wise to offer a gift, with the exception of flowers or a small item when visiting the home, before one has been given to you. Some time later, you should reciprocate politely without escalating the gift-exchange process.

### Some Useful Guidelines for Western European Gift Giving

Manners are very important in France, West Germany and Great Britain. Actions speak much louder than words. The man or woman who knows the proper rituals for every occasion will be in good stead with most European businessmen. The following are a few general rules for European gift giving:

1. Always have flowers sent before arriving at someone's home for dinner. It is acceptable to bring them with you, but preferable that you send them.

Avoid red roses and white flowers, even numbers and the number thirteen. Do not wrap the flowers in paper.

2. Do not bring perfume to a woman in Europe unless she or her husband has requested that you purchase a certain type for her.

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3. Silver items are appropriate gifts if you are hosted at a German home for a few days.
4. Fancy chocolates and special liquors are usually appreciated.
5. Do not risk the impression of bribery by spending too much on a gift.
6. Gifts for children are especially appropriate.
7. Enclose a card containing a hand-written sentiment with personal and courtesy gifts.
8. Gifts should be simply wrapped.
9. Avoid logo gifts, unless they are unique.
10. Porcelain gifts are often appreciated in Europe. However, home decorations are risky unless you know the decor preferences of the recipient very well.
11. Gifts with historic or intellectual appeal are especially appropriate in Europe.
12. There is no substitute for local advice. You should always seek the advice of a native resident or the local U.S. Consulate when in doubt.

Each of these rules is a generalization, subject to a myriad of possible exceptions. However, they do represent repeated themes derived from subject responses — or the suggestions of experts. In total they suggest that a good gift in Europe is a thoughtful gift. It must be appropriate to the relationship, and its value should not be based so much on monetary worth, but on its appeal to the individual recipient.

Japan has been described as outstanding and unique in its gift-giving customs when compared among the nations reviewed as part of this study.

The words of a member of the International Executive Services Corp. express the opinions of many of the executives interviewed: "Japan is unique. The Japanese give gifts under every conceivable circumstance." When asked why they do this, he responded, "Japanese people are ceremonious. Living in tight quarters, they must be polite to each other. They have no word for 'no' in their language." The director of international planning and business development of another Fortune 500 company described the Japanese as "the greatest gift-giving people in the world."

The reasons for extensive gift giving by Japanese businessmen reside in their cultural heritage. In Japan the individual behaves as a part of the whole society. Unlike European and American societies, which are based on a philosophy of individualism, the Japanese live in groups, work in groups and place great emphasis on harmony among persons.<sup>20</sup> This emphasis on groups does not mean that the Japanese have little regard for the individual. On the contrary, they are highly attentive to status. Rank determines privilege and obligation. The Japanese consider it vital to know the rank of those with whom they associate or do business negotiations. Because of this, the author of *Japanese Manners and Ethics in Business* suggests that businessmen acquaint themselves with the etiquette of business card exchange. He explains that the "name card" must be given in the very first stages of introduction before the shaking of hands. Also it is considered a reflection of business acumen if one's card carries a Japanese translation.<sup>21</sup>

Another indication of Japanese concern for the individual is their personal approach to business. The Japanese like to know personally those with whom they do business. Recognizing that the conference table is not the best place to get acquainted, they arrange for what most Westerners consider inordinate amounts of entertainment. The phrase, "Lito no kokoro wa yoru wakaru," describes the Japanese perspective on business entertainment. It means, "You get through to a man's soul at night."

A third indication of Japanese concern for the individual is their emphasis on courtesy. Dr. Van Zandt writes, "In Japan, as in other oriental countries, 'face' is a factor. Sometimes an organization will

decide on a certain course, not because of economic or political reasons, but in order to save 'face' for some important person."<sup>22</sup> The Japanese do not criticize others in public, and they do not say "no." Professor Chie Nakane of Tokyo University states, "Expression of 'no' is virtually never used outside of completely reciprocal relationships, and from superior to inferior."

The foreign visitor to Japan must learn to recognize subtle cues that mean "no." For example, Dr. Van Zandt explains, "If when pressed for an answer, a Japanese draws breath through his teeth and says 'sah' (it has no meaning), or says, 'it is very difficult,' the chances are strong he means 'no.'"<sup>23</sup>

Boye De Mente describes the Japanese business system as focused on human feeling. The Japanese measure, or try to measure, everything in terms of human feelings. This does not mean that they are warm toward foreigners. On the contrary, while deeply desirous of making a good impression, most Japanese "are conditioned to abhor contact with outsiders and to look upon them as dangerous competitors, if not outright enemies."<sup>24</sup> They realize that they must go through the motions involved in feigning closeness, but it is not easy for them to be comfortable with foreigners. The American businessperson visiting Japan should be aware of this and not be too quick to assume he has made a Japanese friend. Take your time and become attuned to the emotions of your Japanese counterpart. The appropriate gift or gesture will not go unnoticed in Japan. As De Mente notes, "Emotion is the glue that binds the Japanese system together. If you want to get along with, influence, or lead a Japanese employee, associate or client, see to his emotional needs first."<sup>25</sup>

Given the Japanese emphasis on interpersonal relationships, it is not surprising that the Japanese are very sensitive to obligation. Their concept of obligation is much more complicated than the Western version. Three types of obligation influence Japanese behavior. They are "on" (obligations passively incurred), "gimu" (debts which are continuous) and "giri" (obligations which must be repaid in equal value).<sup>26</sup> If a Japanese person fails to meet these obligations, he will lose face.

Although adherence to each of these forms of obligation is less intense among young Japanese, this traditional influence on behavior has prevailed.

<sup>22</sup> Van Zandt, "How to Negotiate in Japan," p. 48

<sup>23</sup> *Ibid.*, p. 49

<sup>24</sup> De Mente, p. 58.

<sup>25</sup> *Ibid.* p. 131.

<sup>26</sup> Van Zandt, *NEW FACTS*, p. 172.

<sup>20</sup> Katzue Kitagawa, "A View of Modern Management in Japan: Address to the Third International Convention on Work Factor," Tokyo, October 31, 1969.

<sup>21</sup> De Mente, p. 33.

Gift giving is one manifestation of this influence. In his article, "Japanese Bearing Gifts," Shintaro Ryu explains that the Japanese mania for giving gifts is a "feudalistic sentiment" having its roots in the "giri ninjo," a frame of mind which is extremely sensitive to the duty one owes to society or to a specific individual. He adds that the all-powerful "giri" can degenerate into a mere formality. This is why American businesspersons receive so many small token gifts. Shintaro Ryu writes, "One remarkable fact is that, while Japanese are so nervously concerned with giving gifts, they haven't the slightest inclination to consider if there is anything wrong with the habit, or rather they are totally indifferent to the problem."<sup>27</sup>

Shintaro Ryu also offers a perspective on the purpose of gift giving in Japan: "At least half of the gifts given in Japan are a goodwill forced on the recipients, and part of their purpose is to create a vague sense of 'giri' (duty) and, consequently, a consciousness of obligation on the part of the recipients."<sup>28</sup> This "vague sense of giri" may encourage the recipient to consider the "face" of the giver as his "face" has been considered. In this sense, gifts serve as a subtle reminders of interdependence. They are unspoken contracts to treat each other well by engaging in what Erving Goffman refers to as "facework."<sup>29</sup>

According to a 1971 study by the Taiyo Bank in Tokyo, 77 percent of a total of 987 housewives sampled still consider the midsummer and year-end gift-sending practice "inevitable" for keeping up their families' cordial social relations. Thirty-one percent of these gifts go to important business customers and connections.<sup>30</sup> Even the increasing disfavor accorded to giri-based gift giving has been unable to relieve the Japanese from engaging in it. This may be why so many worthless gifts are given by the Japanese. Harumi Befu, author of *Gift-giving in a Modernizing Japan*, explains, "It is because giri-based gift giving is looked on as a nuisance and with disfavor that the Japanese often scarcely consider the appropriateness of the content of a gift. Instead, gift giving is treated as an empty formality."<sup>31</sup>

"Taraimawashi" is a practice whereby a gift received by one person, for which he (and for that matter no one else) would have no conceivable use, is passed on to another to meet the obligation of giving

and returning. Such behavior is social insurance. No one would dare fail to pass a gift on because each person realizes that someday he or she may need assistance from neighbors or friends. If he has been recalcitrant and ignored giri-based etiquette, he may not be able to expect help from others.<sup>32</sup>

### Non-Giri Giving in Japan

Personal giving in Japan is not really giri-based. It is, like personal giving all over the world, based on affection rather than obligation. Increasing individualism in Japan has made personal giving more prevalent of late than in the past. However, most gift giving is still of the giri type.

Another form of gift giving acceptable in Japan is the collective gift. This is considered suitable when the giver does not feel especially close to the receiver and does not wish to spend much money in buying a gift. Harumi Befu described collective giving as occurring "as a response to the dilemma in which urbanites are often caught between the lack of personal motivation to give and the persistent social obligation giri — to give."<sup>33</sup>

A third type of giving in Japan is "ulterior motive" giving. This is easily accomplished in Japan since a gift traditionally comes wrapped and the recipient is not supposed to open it in front of the giver. It is, therefore, impossible for him to foresee the value of the gift. Additionally, the obligation to accept in Japan, once a gift has been presented, is "as binding as the obligation to give and to return."<sup>34</sup> These norms provide the giver with a distinct advantage should he decide to use them. In America this type of gift giving is considered bribery. But, as Harumi Befu explains, gift giving is so pervasive in Japan, and the obligations to give, to receive, and to reciprocate so entrenched in the traditional social system, that it is very difficult to discern the legitimacy of a gift.

One hardly needs an occasion to give or receive gifts in Japan. However, there are two times during the year when business gift giving is obligatory. "Chugen," the midyear (July 15), is one occasion for business gifts. *The Japan News* (1951) described Chugen presents as "fraught with various significances: Some are outright bribes, some are belated payments, some are acts of charity while the vast majority are pure social amenities as between friends and lovers."<sup>35</sup> The second major occasion is "Toshidama." It is at the year end (January 1). At this time, Japanese

<sup>27</sup> Shintaro Ryu, "Japanese Bearing Gifts," in *THIS IS JAPAN*, Japan: Asahi, 1964, p. 68.

<sup>28</sup> *Ibid.*

<sup>29</sup> Erving Goffman, "On Face-work," *PSYCHIATRY*, 18, 1955, pp. 213-231.

<sup>30</sup> See *JAPAN TIMES*, 1967.

<sup>31</sup> Harumi Befu, "Gift-Giving in a Modernizing Japan," *MONUMENTIC NIPPONICA*, Vol. XXXIII, Tokyo: Sophia University, 1968, p. 451.

<sup>32</sup> *Ibid.*, pp. 451-452.

<sup>33</sup> Befu, p. 452.

<sup>34</sup> *Ibid.*, p. 453.

<sup>35</sup> "Japan Last Week," *THE JAPAN NEWS*, July 16, 1951, p.5.

## Japan

businesses usually send gifts to people with whom they have business contacts. Boye De Mente describes this as the most important gift occasion:<sup>36</sup>

Because 84 percent of the executives interviewed by telephone indicated that they have given gifts to women in other countries, a few words about the Japanese women are in order. Women in Japan enjoy unquestioned status. Housewives are in charge of an important institution, the family. The Japanese wife controls the family income even to the point of giving her husband pocket money from his earnings. She takes sole responsibility for the home. And yet, she takes time to pursue outside interests.

When Japanese women have careers, they rely on family cooperation and often a grandmother or other relative to keep things in order at home. According to one of the executives interviewed for this study, "The Japanese would accept an American businesswoman." He said, "The rules for gift giving would be the same as those for a man." She is likely to find, however, that she is not invited to evening dinners or geisha parties which are viewed as male-oriented entertainment.

The American businessman need not worry about offending by giving the Japanese wife a present when appropriate. Toys for the children are the more advisable route, however, especially the latest in electronic toys. If this is not possible, fruit, candy, cake or liquor (preferably Johnny Walker Black Label Scotch, Chivas Regal, or Haig) are considered acceptable gifts to bring to the home.

The Japanese go to great lengths to establish a comfortable atmosphere for business. Boye De Mente explains that, for the Japanese, "pleasure before business" is the norm. Liberal expense accounts allow the Japanese to entertain in style. Japan has thousands of plush bars, cabarets, restaurants and inns. Here the Japanese entertain to impress their visitors. "Naniwabushi" — to get on such good personal terms with someone that he will do you a favor — is one of their goals.

According to Dr. Howard Van Zandt, the wrapping of gifts is very important in Japan. The Japanese people are very ceremonious and also generally prefer to avoid opening a gift in front of others. Gifts that are not wrapped place considerable pressure on the Japanese recipient to pretend that he likes a gift even if he does not. The Japanese go to great lengths to avoid offense and to avoid creating situations in which some person may lose "face."

It is not necessary that Americans relinquish their traditional ways of gift wrapping, but it is advisable

to avoid ribbons unless you are aware of the various meanings they convey in terms of recipient status. Also, the bows used in the United States to decorate packages are generally unappealing to the Japanese. The safest route is to have gifts wrapped in Japan by persons familiar with the customs. If you choose to wrap the gift yourself, do so simply and avoid bright colors and white bows.

### Some Useful Guidelines for Gift-Giving in Japan

1. Do not forget the January 1 and mid-June exchange of gifts.
2. Do not expect the recipient of your gift to be effusive in his expression of appreciation. He may not even open it in front of you.
3. Brand name items are appreciated in Japan.
4. Let your Japanese counterpart initiate the gift-exchange unless he is visiting you or your gift is a reciprocation.
5. Your return gift need not reflect 100 percent reciprocity. Thoughtfulness is more important.
6. It is not unusual to receive a gift when you first meet a Japanese businessman. It is not required that you immediately reciprocate with a gift. If you will feel uncomfortable without one, however, it is wise to be prepared.
7. Do not out-gift the Japanese. Gift giving is more their custom than ours. Allow the Japanese to derive satisfaction from his giving and avoid obligating him by giving a more expensive gift.
8. Present the gift when the recipient is alone, unless you have gifts for everyone present.
9. Consumable gifts and small conversation pieces are usually appreciated. These include liquor, candy, cakes and books.
10. In general, the Japanese do not care for bourbon. Scotch is preferred.
11. Always bring a gift when visiting a home.
12. Logo items should be unique, but not a joke. The logo should be subtle.
13. Wrap non-logo gifts. Avoid bold colors, dark grey, black and black and white combinations. The black and white gift-wrapping combination is reserved for funerals.
14. Flowers are appreciated when visiting a home. Fifteen-petal chrysanthemums are acceptable, but the 16 petal chrysanthemum is used in the Imperial Family crest and should not be used commercially.

<sup>36</sup> De Mente, p. 58.

## Japan

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15. Do not open a gift in front of a Japanese counterpart unless you ask if he would like you to do so. If he does not open your gift, then your option is clearly to do likewise.
16. Do not surprise a Japanese person with a gift. He may be embarrassed by his not having one for you at the moment.
17. The latest in American toys are usually appreciated by Japanese children.
18. Do not make a ceremony of a gift presentation. It should seem spontaneous and sincere but never a source of pride to the giver.
19. Whenever possible, give a gift that shows that you did your homework. Get to know the recipient's personal preferences if you can.
20. Your entertainment should be of high quality. However, you need not match the royal treatment typically provided for American businessmen visiting Japan.
21. Avoid ribbons and bows as part of gift wrapping. Bows as we know them are considered unattractive. Various colors of ribbons have different meanings. Unless you are certain of the meaning, avoid using them. Rice paper for wrapping signifies good taste.
22. The color red is appreciated. Red traditionally is associated with healing and good health.
23. Do not offer a gift depicting a fox or badger. The fox is the symbol of fertility; the badger, cunning.

One of the areas of the world most frequented by American businessmen is the Arab Middle East. The Arabs are aware of their importance in the world economy, and greatly appreciate the foreigner who acknowledges this.

The Arab world has been politically divided and upset by fratricidal wars for centuries. Nevertheless, among Arabs there is a pervasive consciousness of being one nation. According to Raphael Patai, author of *The Arab Mind*, despite frequent conflicts, the Arab believes that, sooner or later, all will be settled among the Arab nations and that present problems in no way will infringe upon the principle of Arab brotherhood and the ideal of all-Arab unity.<sup>37</sup>

Patai believes that Arab disunity is a manifestation of a tendency that has been part of the Arab personality since pre-Islamic days. He reports that Arabs are quick to argue. They are prone to use bombastic rhetoric, a characteristic which confuses and upsets the Westerner whose emotions are generally constrained in public. In actuality, much of this rhetoric is a means by which physical action is averted. As long as the oral phase of disagreement lasts, there is always the hope that aroused passions will exhaust themselves in words. In addition, rhetoric is a means by which one may demonstrate education and facility with words. The Arab loves his language and cherishes his ability to use it to his honor.

The Westerner, who excuses himself for a momentary loss of control and firmly resolves to avoid such embarrassment to self and others in the future, will find Arabian behavior baffling. In the Arab world, there is no stigma attached to losing control. Emotionalism crops up at the most unexpected times. Yet—and Americans will find this contradictory—the Arab often will go to great lengths to be agreeable. The foreign visitor may leave thinking he has an agreement, only to discover later that he does not.

Sania Hamady, author of *Temperament and Character of the Arabs*, explains this phenomenon: "In all societies, politeness carries with it some degree of insincerity. Among the Arabs the desire to please—to pave the way for favorable and happy relationships with possible good results—may induce them to say what is agreeable without regard to truth. Such an attitude may create misunderstanding, doubt, and, not rarely, amusing situations when an Arab happens to be interacting with someone not familiar with Arab customs."<sup>38</sup>

Because of the wide communication and cultural gaps between the Arab and the Western world, the giving of gifts is not to be taken lightly. The Arab is proud. He appreciates those who respect his traditions and his manners. He befriends those who understand his ways and spare him humiliation. But, on the other hand, he is not quick to forgive or forget blunders which bring him public humiliation. Hamady points out that "Social pressure in the Arab society is tremendous. Public opinion is the main force that moves, praises or condemns the behavior of the individual; it is the immediate, as well as the ultimate, power for controlling his actions."<sup>39</sup> Unlike Japan, where giving is often more form than content, the Arab emphasis on generosity—and recognition that giving of a gift is something one gets paid for in public respect—makes the gift-exchange process important to effective business relations.

The Arabs are more reciprocity-oriented than the Japanese. The Arabs are magnanimous and appreciate generous people. They have no respect for wealthy persons who do not spend freely. As a result, they give much, but they expect to be treated equally well and have no shame about their belief in the utility of reciprocity. To the Arab, a relationship, to be successful, cannot be one-way.<sup>40</sup>

Dr. Ralph Kepler Lewis, anthropologist at George Washington University, during an interview for this study, related a story which he believes conveys the Arab concept of generosity.

A Jordanian once told Dr. Lewis, "If you came to my house, I couldn't give you a hamburger. My wife would kill thirty chickens." No one eats thirty chickens at a meal. But, Dr. Lewis explains that while this is an exaggeration, it makes the point that when an Arab gives he must do so lavishly or not at all. His public image depends on such actions.

This emphasis on public opinion cannot be overstated in reference to the Arab peoples. The individual Arab is, first and foremost, part of an extended family. As such, he is committed to definite obligations and entitled to certain rights. These duties and privileges are compelling and devotion to the family is "a moral and religious principle."<sup>41</sup> Additionally, the Arab is part of his history, a source of great pride to him.

Lillian Africano, author of *The Businessman's Guide to the Middle East*, considers this Arab preoccupation with history the crucial difference

<sup>37</sup> Raphael Patai, *THE ARAB MIND*, New York: Charles Scribner's Sons, 1973.

<sup>38</sup> Sania Hamady, *TEMPERAMENT AND CHARACTER OF THE ARABS*, New York: Twayne Publishers, 1960, p. 73.

<sup>39</sup> *Ibid.*, p. 34.

<sup>40</sup> *Ibid.*, p. 231.

<sup>41</sup> *Ibid.*, p. 28.

## The Arab World

between the Arab and the American. The American belongs to a society with a satisfying realization of present achievement, the Arab to a society with a sense of a past greatness. The American sense of achievement has sometimes led to offense when dealing with the Arabs.<sup>42</sup> Africano maintains that "the West patronized and criticized, deploring their (Arabic) 'backward ways,' their low standard of living, their polygamy, their 'barbaric' system of justice, their failure to modernize in education, medicine, technology, etc."<sup>43</sup> This perspective is manifested in the behavior of many Americans when they visit the Arab countries and is offensive to Arab honor. The foreigner is, therefore, advised to be acquainted with Arab history and to acknowledge Arabian contributions to civilization. It may be the finest gift an American can give to an Arab.

Keep in mind that what people will say is the main criterion by which an Arab judges his actions. This is the first step in gift selection. A gift will be judged by many. It is unwise, however, to fail to see the individual behind the maze of family and community ties. The Arab is "other directed," but cherishes an inner self. He can sit for hours in silent introspection. He has a deeply personal sense of self. Sania Hamady cautions, "To establish a good rapport with an Arab, one must be aware of the fact that foremost in the Arab's view of self is his self-esteem. It is important to pay tribute to it and to avoid offending it."<sup>44</sup> She adds that it is very easy to offend an Arab. It is very difficult for him to accept any criticism calmly.

The Arab, entrenched in family and community, manifests his individualistic self-esteem in taking offense at the criticism of others. He is insulted if you bring food or drink to his home when visiting because it implies that he is not a good host. He gains respect by his generosity, and is, therefore, likely to outdo others. But he will not forget his generosity, as he keeps very accurate accounts of what he has given and what is owed him.

How does one determine the appropriate gift for such a businessman? The American business executives interviewed for this study expressed considerable concern over the interpretation of bribery in this region and the tendency for Arabs to engage in escalation of gift value in their reciprocation. Moreover, the extensive wealth in this region of the world causes the American businessman some

skepticism concerning the value of any gift he might give. Despite the qualified hesitation and confusion characteristic of respondents who commented on the Middle East, some rules did emerge:

1. Do not bring liquor as a gift. Liquor is taboo in the Islamic religion.
2. Avoid junk gifts.
3. It is often rewarding to give something with intellectual value such as a book. This will compliment the Arab's concept of an educated self.
4. Do not give a gift when you first meet someone. It may be interpreted as a bribe.
5. If you give a logo gift, be sure it is unique or has some special significance.
6. Gifts for children are greatly appreciated.
7. Never bring a gift for a wife or wives.
8. Do not let it appear that you contrived to present the gift when the recipient was alone. It looks bad unless you know him well. Give the gift in front of others in less personal relationships.
9. Something to be used in the office is usually acceptable.
10. Consider carefully the nature of the relationship when selecting a gift.
11. American and German merchandise is considered quality for a gift.
12. Be careful when selecting items depicting animals or animal sculptures. Many connote bad luck.
13. Do not admire an object openly: you may be the recipient of it.

Rule seven suggests that a gift never be given to the wife or wives of an Arab. This is an important piece of information for the American who often thinks of the wife of a business associate as an outlet for his desire to give a gift. Also, American businessmen discuss their family lives openly. In the Arab world, especially Saudi Arabia, any association between a man and a woman is a deeply personal and sensitive subject. It is considered impolite to even ask about your host's wife. Dr. Lewis suggests that the American businessman ask about the family. You might say, "I hope your family is well!"

With this information, it should come as no surprise that Arab men, and Saudi men in particular, are not receptive to American businesswomen. Despite efforts by Prince Fahd to bring women discreetly into the business world, changes are slow.

<sup>42</sup> Lillian Africano, *THE BUSINESSMAN'S GUIDE TO THE MIDDLE EAST*, New York: Harper & Row, 1977, pp. 9-10.

<sup>43</sup> *Ibid.*, p. 9.

<sup>44</sup> Hamady, p. 99

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## The Arab World

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Because of the business opportunities resulting from the current petro wealth of the Middle East, traders are struggling to understand the Arab mentality. This is not easy. The Arab does not trust outsiders readily. He is not shy about his belief in reciprocity and judges his relationships with others by the public appreciation it brings. What is additionally puzzling for Americans is the fact that an Arab at home may not be the same person when he visits America. The answer to this puzzle lies in research. To do business in the Arab world requires study of the culture and the man. Only then will the contradictions be understood. And only then will business and gift giving be comfortable.

Latin America was a great source of wealth for Europe during the sixteenth, seventeenth and early eighteenth centuries. The nineteenth century was a time of decline. Broken into a number of quarreling states, Latin America was a place avoided by much of the rest of the world.

In recent decades, Latin America is once again playing a vital role in world affairs. The growth of industry in Western Europe and the United States has led to demands for raw materials available in Latin America. As commercial activity increased, transportation, communication and standard of living improved. Robert Alexander, author of *Today's Latin America*, writes: "There is little doubt that Latin Americans today regard themselves as a part of the worldwide movement of the 'underdeveloped' countries for a place in world affairs."<sup>45</sup>

Changes in Latin America are as much social as economic. Traditionally, Latin America consisted of basically two classes. The small ruling class prided itself on its European roots. Status was determined by ancestry and wealth and the ability to spend all of one's income while the lower class worked the land.

Industrialization has changed this two-class system. Today, an important middle group involved in commerce exists. Power in the Latin nations has been shifting to urban areas.

The growing importance of Latin American natural resources to the United States has made it important to U.S. business. One-quarter of the subjects of this investigation described their experience in Latin American business.

The Latin people prize individuality. However, their concept of individuality is very different from that of North Americans. Latins appreciate being recognized for their personal qualities. They value friendship and consider their friends and families the people to whom they are obligated. Latins are, therefore, more often loyal to a person for whom or with whom they work than to the organization per se.

It is through personal relationships that the Latin American achieves his individuality. A good relationship implies that one is viewed as special. During his interview with this researcher, Dr. Hugo Penata, born and reared in Latin America, explained: "I belong to an associative culture. I am not just myself. I am also who my father was, my grandfather and possibly all of my ancestry. I am associated with friends and family." Dr. Penata described this associative culture as the Latin "kind of personalism." He added, that in the United States, freedom is the

ability to be a loner if you wish to be. To the Latin, "a loner is a looney."

Given this emphasis on familial lineage, a gift for the family or for the children is likely to be appreciated in Latin America. The Latin lives in a maze of interconnections. However, unlike the Arab whose family relations are an unrelenting source of pressure, Latins enjoy their connectedness. Connections make life easier.

This emphasis on personal relationships translates into "It is not what you know, but who you know." Every Latin cultivates relationships which can be of benefit to his personal and business affairs. For this reason, North Americans doing business in Latin America must be prepared to take time to establish friendships.

The Spanish word for a well-connected man is "enchufado." An "enchufado" is a man of influence. He gets things done. Without an "enchufado," the novice foreign visitor is without influence.

Influence in Latin America can take the form of money, favors or gifts. Such behavior is widely accepted and not considered dishonest.<sup>46</sup>

Persons in positions of influence consider it their obligation to assist friends and relatives. If you do not make friends in Latin America, your ability to conduct business will be severely hampered.

Courtesy in Latin America often means being indirect. The Latin takes great pride in his tact. He prefers to tell others "yes" rather than to disappoint them. If he has the time to disagree or say "no" tactfully, then perhaps the truth will come out. Often, such truths are couched in elaborate verbal expression intended to avoid offense. This is one reason why it is advantageous to learn Spanish and Portuguese before doing business in Latin America.

There is also far more nonverbal expressiveness in Latin America than in North America. Men and women always shake hands and often embrace upon meeting and parting. Simple handshakes are considered insufficient expressions of warmth with close acquaintances. Backslapping and embracing are "touching" forms of communication alien to most North Americans, and U.S. businessmen in particular, who might consider these practices less than "professional."

According to the director of international relations of a leading Fortune 500 company, "Almost every society outside the United States is more

<sup>45</sup> Robert Alexander, *TODAY'S LATIN AMERICA*, New York: Doubleday Co., Inc., 1962 p. 6.

<sup>46</sup> "Building Bridges of Understanding with the People of Latin America," Brigham Young University Language & Intercultural Research Center Communication Learning Aid, 1979, p. 25.

## Latin America

'feminine' in that they appreciate interpersonal sensitivities more than we. Ours is a John Wayne society in its 'True Grit' lack of emotion. Therefore, we are uncomfortable with the nonmasculine communication in other areas of the world. For example, there is much male posturing in Latin America, but a comfort with things that are considered feminine by our standards." He explained that Americans cannot fully appreciate these things unless they live in Latin America and develop a comfort level. The disadvantage of this is that once they learn to be comfortable with physical and emotional closeness, the American way seems aloof and unfriendly. A number of respondents noted that it is difficult to feel comfortable in both cultures.

Dr. Hugo Penata told this researcher that Latins like to be "simpatico." This means having a sense of empathy and closeness. If an American businessman cowers at the touch of a Latin man, doing business will be difficult. The Latin must sense your comfort as an individual in his presence in order to like you. He must feel "simpatico."

It is also important to give eye contact in Latin America. Eye contact implies sincerity and interest. Avoid moving away if a Latin stands "too close for comfort," and do not be alarmed if your shoulder or lapel is touched during a conversation. The Latins are less restrained in their expressions of feeling. And, Latin men do not equate masculinity with controlled emotions.

Latin courtesy also extends to gift giving. Victor Alba, author of *The Latin Americans*, writes: "The Latin American has a ceremonial feeling about life, the legacy of both Indian and Iberian societies. He likes gift giving. He delights in filling his life with flowers, colored paper, scraps of cloth, lights and images."<sup>47</sup>

The executives interviewed for this study tended to agree with Mr. Alba. The Latins enjoy giving and receiving gifts. They are very appreciative of American gifts, especially small electrical appliances and popular toys for the children. Gifts for wives are acceptable if they are not personal. Scarves, perfume, (more acceptable here than in Europe), artwork, candies, flowers and kitchen items are acceptable. Gifts from businesswomen are acceptable but subject to misinterpretation given the "macho" perspective that dominates in Latin America.

"Machismo" is a word that U.S. sociologists have used to describe an exaggerated emphasis on masculinity. In Latin America it is very important for males to demonstrate that they are "machismo."

The American businesswoman doing business in Latin America will find that many men are not at all inhibited about making advances unless she makes it quite clear that she has no interest in the business counterpart outside of the business relationship.

One director of Latin American operations told this researcher that businesswomen are rarely taken seriously in Latin America. This makes gift giving very difficult for American businesswomen. This same executive said that a gift from a woman could very easily be misinterpreted.

One American businesswoman interviewed for this study said she avoids possible misinterpretation by presenting gifts for the family or the businessperson's wife as well as him. She explained, "I am not one of the boys. I never will be one of the boys. I must be careful in gift giving. I leave buddy-buddy situations to my colleagues. I can't afford to let my guard down." This woman executive also described Latin Americans as "very gift-giving oriented people." She considers gift giving a very important part of doing business but one which must be given considerable forethought by businesswomen. To her, the most important posture to present is "to be treated respectfully at all times."

### Some Useful Gift-Giving Guidelines for Latin America

1. Do not give a gift until after a somewhat personal relationship has developed, unless it is given to express appreciation for hospitality.
2. The best time to present a gift is after business negotiations have been completed.
3. Never go empty-handed to visit a home.
4. Avoid the colors black and purple. Both are associated with the Catholic Lenten season.
5. The number 13 is considered unlucky in most of Latin America.
6. Do not give a knife (implies cutting off a relationship) or handkerchief (associated with tears).
7. Always consider the preferences of the recipient in Latin America.
8. Latin Americans often appreciate small electrical appliances from the United States. However, it is best to ask them if there is something that you might bring. This might avoid the possibility of implying that United States products are superior. Even if your Latin American counterpart believes that some types of U.S. appliances are superior, it is best to allow him to tell you so.

<sup>47</sup> Victor Alba, *THE LATIN AMERICANS*, New York: Praeger Publishers, 1969, p. 339.

## Latin America

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9. Something for the entire family, such as artwork from North America, is typically appreciated.
10. The latest in toys from the United States will please the children and the parents.
11. Do not buy expensive gifts. The Latin Americans are usually very appreciative of thoughtfulness. Monetary value should be a secondary consideration.
12. Gifts should be given during social encounters, not in the course of business. Since Latin Americans do not conduct business over lunch, this is often a good time to present a small gift.
13. Logos should be subtle. Logo gifts should be unique or have some connection with the representative's company other than that implied by the logo alone.
14. Find out what items are unavailable in the area of Latin America that you're visiting or items that are taxed heavily there. If you bring a gift that is locally taxed and pay the tax, the gift will be appreciated even more so.
15. Women executives should be aware of the potential for misinterpretations of gifts given to men. There is no reason for paranoia, but some healthy skepticism concerning the potential for accurate interpretation of a well-intended gift is in order.

The Latin people are a gift-giving people. They appreciate thoughtfulness. Although bribery, as defined by Americans, is prevalent in Latin America, legitimate gift exchange has not lost its meaning. To the Latin American, a gift can mean that the recipient is special or important to the donor. A gift can enhance a friendship or it can, as one executive said, "put your request at the top of the secretary's workload." It can cement connections even if the intention is not strategic in nature. Latin American gift giving can be a very enjoyable part of, and is often beneficial to, business.

The roots of Chinese civilization go back 4000 years. The 950 million people of China are the inheritors of the world's oldest continuous civilization, a civilization whose social organization and institutions were, for centuries, the most advanced in the world. Even today, the Chinese retain a profoundly ethnocentric identity and unique value system.

Annie Lai Harner and Stephen M. Harner, authors of the Foreign Service Institute Guide, "Living and Working in the People's Republic of China - A Cultural Guide," write that "Americans, coming from a culturally pluralistic and relativistic society, are ill-equipped to deal with the awesome subjective forces exerted on human society by a monolithic culture."<sup>48</sup> These authors contend that Americans who have done well dealing with the Chinese have accomplished this by first studying Chinese culture; second, by reflecting upon their own cultural biases; and third, by bringing an acute awareness of both to every encounter.

Before Chairman Zhou Enlai (Chou En-lai) proposed the set of national primary targets, later carried out by Chairman Hua Guofeng (Hua Kuo-feng), China was considered "the giant with the tiny appetite."<sup>49</sup> The four modernizations proposed by Zhou emphasized improved agriculture, industry, science and technology, and national defense. These four goals brought China's trade in 1978 (imports and exports) above that of the United States.

The Chinese of today are culture-torn between tried-and-true tradition and the edict of today's leaders to modernize. Despite the latter, the Chinese are well known for their tendency not to rush anything important.

As Arthur H. Smith, author of *Chinese Characteristics*, writes: "Of that quiet persistency, which impels a Chinese student to keep on year after year attending the examination, until he either takes his degree at the age of ninety or dies in the effort, mention has already been made. No rewards that are likely to ensue, nor any that are possible, will of themselves account for this extraordinary perseverance. It is part of that innate endowment with which the Chinese are equipped, and is analogous to the fleetness of the deer or the keen sight of the eagle."<sup>50</sup>

The Chinese display this tenacity over time in their negotiations with foreigners. They prefer to deal

with individuals they know. And, they will take time to gather considerable amounts of data before entering into negotiations. It takes two or three times as long to do business in China as in most Western countries.

This caution in negotiations may, in part, be caused by the Chinese concern for "face." They are extremely sensitive to the opinions of their peers. Face (mianzi) is a consistent concern during all social and business relations with the Chinese. A Chinese person is scorned if he earns a reputation of "bu gei mianzi," one who is known to embarrass others or cause loss of face for others. The maid, the chauffeur, subordinates and equals require sensitivity to their delicate position among their peers.

Smith believes that the concept of "face" can only be understood if we take account of the fact that as a race the Chinese have a strongly dramatic instinct. The Chinese have a passion for theatricals as the English for athletics or the Spanish for bull-fights. The Chinese think in theatrical terms, a phenomenon completely foreign to the Western businessperson, according to Smith.

With the penchant for the theatrical, it is no surprise that the Chinese have precise rules for gift-giving rituals. These rules prevent loss of "face." A Washington, D.C., business lawyer, who travels regularly to the Peoples Republic of China, told this researcher: "To Orientals gift giving is not a light matter. The determination of the appropriate recipient is as important as the gift." Another international business consultant added: "The Orientals remember your preferences and choose a gift on that basis."

Anna Chennault, author and president of TAC International, noted: "You always exchange a little gift when you first meet. It means, 'I hope this friendship will last.' Even after you leave, the gift remains. It is a bit of a superstition." Several respondents emphasized that the Chinese are hypersensitive to the issue of accepting business or social gifts. Chinese law prevents your host from accepting most gifts. One respondent explained that all gift items must be declared as you enter the country. You are expected to have each of the gift items as you leave. If you explain that you lost the items (because you gave them as gifts), your explanation will be accepted, but you will be charged a fee (usually double the value of the declared gifts) for each gift not accounted for. Thus, you pay handsomely for gifts in the Peoples Republic of China, he explained.

Under no circumstances are the Chinese allowed to accept foreign currency; not even in the form of a commemorative gift such as a Kennedy half-dollar. Gifts should only be given if you can offer the recipient a good reason for his accepting it. One executive told the story of his giving a pocket tape

<sup>48</sup> Annie Lai Harner and Stephen M. Harner, "Living and Working in the People's Republic of China - A Cultural Guide." Prepared for the Overseas Briefing Center School of Area Studies, Foreign Service Institute, U.S. Department of State, 1980.

<sup>49</sup> Klaus Schmidt, *SRI International Business Intelligence Report*, Vol. 3, 1979, p. 2.

<sup>50</sup> Arthur H. Smith, *Chinese Characteristics*, New York, Kennikat Press, 1970, p. 154.

## The Peoples Republic of China

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recorder to a man who always carried around cumbersome papers replete with statistics. The American businessman, who had known his Chinese counterpart for some years, offered the tape recorder to his friend, saying, "This is something I know you can use." When the Chinese businessman realized how useful and thoughtful the gift was, he was moved to tears. This gift, by the way, was given in the men's room so that no one would witness the presentation.

This kind of gift giving is not a recommended practice for all American-Chinese exchanges. It does, however, demonstrate the sensitive nature of gift giving in China.

Aside from giving gifts with good reason, it is also important that a gift not be given in front of others in China. The Chinese are very polite people. They do not like to reject a gift because they know that the well-meaning donor may lose "face." The rejection of a gift also causes loss of "face" for the recipient who must refuse it.

To avoid such embarrassment, foreign visitors must familiarize themselves with Chinese rituals. They must recognize that politeness is not merely a superficial, annoying display of courtesy to the Chinese, but rather "a ritual of technicalities which, like all technicalities, are important, not as the indices of a state of mind or of heart, but as individual parts of a complex whole."<sup>51</sup>

Many of the American executives who were interviewed gave the impression that the gift exchange, as part of international business practice, was something that does little good to improve business negotiations — but that its absence could do much harm.

This is a major attitudinal difference between the Occidental and Oriental personality. What may appear as a superfluous formality to the Occidental is often the substance of an encounter with the Oriental. Smith says that the use of honorific titles and terms are used by the Chinese to sincerely smooth human interaction. The Chinese person who displays an ignorance of the proper ceremonial — including accepted patterns of gift exchange at banquets, for example — will become a laughingstock among his peers and superiors.

Chinese women have achieved a considerable degree of equality. A Chinese-American respondent told this researcher that women make up more than 60 percent of the labor force in China. Anna Chennault said, "Chinese women do not worry about women's liberation. They have been liberated because of necessity." In China, social progress for women is not

an issue: it is a fact of life, according to a number of respondents.

One very acceptable gift in China is a banquet. The type of banquet you are given indicates your importance. These banquets usually consist of many courses. You should eat a portion of each. If possible, use chopsticks. The two wines (red rice wine and the ethnic firewater) should not be tasted until after the toast. Chinese beer may be consumed at any time. The toasting procedure is rather complex and important. Foreign visitors should familiarize themselves with this ritual before attending a banquet, to avoid loss of "face." When it comes time for you to reciprocate with a banquet for your hosts, you must do so with a dinner of the same class given you (there are four such classes, according to several respondents). The manager of the restaurant of your choice will assist you in providing a dinner of the same class. For his efforts, he should be given a small token of thanks such as a calendar or pen.

You should not arrange to give a home dinner until you know the Chinese businessman quite well. The Chinese view home entertainment as less of an honor than outside entertainment.<sup>52</sup>

Gifts should be exchanged at banquets. When the dinner you are hosting is completed and the head representative of your group makes a brief speech, he should then present a collective gift. A plaque or some other item from your home state or region (framed scenic photographs, a small piece of art) is acceptable. The person who presents the gift should speak and act as if he is the guardian of the gift, rather than the owner. He or she should also present it to the group as a gift for everyone, even though it must be handed to the one person acknowledged as the Chinese group's leader.<sup>53</sup>

### Some Useful Guidelines for Gift Giving in China

Although business gift giving is not prevalent in China, this study indicates that it is done. Gifts that commemorate an occasion or ones that are inexpensive and useful, rather than personal, are acceptable. Additional guidelines are provided below.

1. Do not give a clock. (The pronunciation of the word "clock" in Chinese is the same as "funeral" here.)
2. The Chinese people appreciate small mementos.
3. Do not give lavish gifts.

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<sup>51</sup> Smith, pp. 36-37

<sup>52</sup> See Harner and Harner paper.

<sup>53</sup> Schmidt, p. 15

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## The Peoples Republic of China

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4. On holidays you should put a small amount of Chinese money in an envelope for servants of the friend's home you visit.
5. Never make an issue of a gift presentation—publicly or privately.
6. Do not give American currency. It is illegal to bring outside currency into China.
7. Gifts should be presented privately, except collective ceremonial gifts at banquets.
8. Gifts should not be presented until all business negotiations have been completed.
9. A gift associated with your home state or company will be appreciated.
10. Kitchen gadgets, photobooks, name plaques for desk use, personally engraved pens, records, a good brandy or cognac all make nice, inexpensive, useful gifts.
11. Become familiar with the legal implications of expensive gifts.
12. Do not wrap gifts before passing through customs. They will be unwrapped there.
13. Simple wrapping or a tastefully decorative gift box will be appreciated when giving courtesy gifts.
14. Familiarize yourself with Chinese dinner entertainment customs.
15. Always have a good reason for a gift—one that the recipient can use to justify gift acceptances.

### Basic Questions

The findings of this pilot study may allow hypothesis testing in future studies. For this preliminary investigation, an exploratory approach was in order. The following research questions guided the exploration:

- (1) What do American businesspersons give as gifts in other regions of the world?
- (2) What are the characteristics of a good international business gift?
- (3) Do American businesspersons give differently in different regions of the world?
- (4) Does the style of giving influence the perception, selection and presentation of gifts in other regions of the world?
- (5) Do American businessmen give differently from American businesswomen?
- (6) What are some of the concerns of American businesspersons when giving and receiving gifts in foreign lands?

The first five questions are answered by quantitative analyses of the data obtained from the telephone survey. The sixth question is addressed by qualitative analyses of the free response data gathered by both the telephone surveys and personal interviews.

### The Subjects

The subjects for the telephone survey were primarily members of export councils throughout the United States, plus persons recommended by other subjects. The mean years of international business travel for these subjects was 18, suggesting a rather high level of expertise. Since this was a pilot study directed at locating the experts and beginning to assess their gift-exchange styles in other countries, we did not place emphasis on obtaining a random sample. However, to assure representation of U.S. regions, a random sample of export councils was used. Ninety-seven subjects from around the nation completed telephone interviews conducted by two researchers. Twenty-five Fortune 500 executives located in Connecticut, New York and Washington, D.C., participated in face-to-face interviews.

### Procedures

Two Ph.D. researchers contacted 200 international business executives by phone. The interviews took from 20 to 40 minutes. The typical interview took less than 35 minutes.

Ninety-seven respondents (88 men, 9 women) completed the telephone survey. Only 18 refused to participate. The others were away on business trips or otherwise unavailable. Twenty-five executives

were personally interviewed. The face-to-face interviews were used to supplement the data obtained by phone.

Finally, interviews were conducted with several cultural anthropologists and with: Franchon Silberstein, director of the Overseas Briefing Center of the Foreign Service Institute; Gary Lloyd, director of the Business Council for International Understanding; Wallace Elton, senior vice president of the International Executive Services Corps, and other persons who engage in international business travel.

### Methods

Data analysis took three forms. First, percentages were obtained for each response. Then more advanced analyses were conducted to assess differences in gift-giving styles among regions of the world, gender differences in gift giving, and the influence of gift-giving style on the types of gifts selected and the manner of gift presentation. Chi Square, correlation, and analyses of variances were used where appropriate.

Finally, open-ended question responses were content analyzed. According to Klaus Krippendorff, content analysis is a "research technique for making replicable and valid inferences from data to their context."<sup>54</sup> One of its primary purposes is to provide new knowledge and insights. An example of content analysis used in this investigation involves the assignment of gift giving styles to respondents. Since it would have been impractical to ask the subjects if their style of giving is typically "strategic," "courtesy" or "personal," the three types of giving were defined by the researcher.

Two coders assigned each subject a style on the basis of his or her response to the question, "What characteristics should a business gift given in another country possess?" The subject was considered a "strategic giver" if he or she emphasized company purpose. Subjects emphasizing gift appropriateness were assigned the label "courtesy givers," and those emphasizing the gift recipient's preferences were labeled "personal givers." This variable was called "general gift-giving style." It was then possible to test whether styles were affected by region of the world most often visited, and whether the style of giving influenced gift cost, frequency of giving, the number of gifts carried during a single business trip, etc.

<sup>54</sup> Klaus Krippendorff, *Content Analysis: An Introduction to Its Methodology*, Beverly Hills: Sage Publications, 1980, p. 21.

Research Question One: What do American businesspersons give as gifts in other regions of the world?

Subjects were asked, "What are some of the gifts you have given in other countries?" Table 1 provides a list of the most frequently mentioned gift items or types.

**Table 1**

Typical International Business Gifts

<u>Gift Types</u>	<u>Percentage of Subjects Who Mentioned Giving These Gift Types</u>
Unique items	53%
Home and office decorations	51
Writing instruments	50
Clothing	36
Liquor	31
Books and magazines	29
Electrical and computerized toys	24
Jewelry	21
Sports equipment and games	17
China and glassware	16
Knives and keychains	16
Food	10
Cologne or perfume	5

The analysis conducted to answer Research Question One indicated that the gifts American businesspersons give in other countries were, typically, distinctively American, useful, of conversational value, personalized or given with the recipient's personal preferences in mind, more often than not a brand name item, and below \$26 in cost. These gifts are more often intended as courtesy gifts than strategic or personal gifts. Approximately one-third of the gifts described were logo items.

Research Question Two: What are the characteristics of a good international business gift?

**Table 2**

Primary Characteristics of the International Business Gift

<u>Characteristic</u>	<u>Not at all</u>	<u>Somewhat</u>	<u>Very</u>
Importance of its being American	5%	36%	59%
Importance of gift utility	20%	43%	37%
Importance of conversation value	16%	52%	32%
<u>Characteristic</u>	<u>Yes</u>	<u>No</u>	
Importance of brand name	56%	44%	
Importance of logo	36%	64%	
Importance of wrapping	49%	51%	

Below \$26 \$26-50 Above \$50

Importance of typical price  
72% 21% 7%

One of the telephone survey free-response questions also pertains to Research Question Two. Subjects were asked, "What characteristics should a business gift given in another country possess?" Table 3 provides the most prevalent responses:

**Table 3**

Gift Characteristics

Selected with the recipient or relationship in mind	41%
Good quality or in good taste	37%
Inexpensive or avoiding obligation	35%
Representative of the United States	33%
Unique or not easily obtainable in that country	30%
Company or product reminder	29%
Practical or useful	20%
Small or lightweight	15%

When describing their general gift-giving habits, many of the subjects indicated that they consider the recipient and the kind of relationship when selecting a gift. This is further supported by the fact that 83 percent of the subjects indicated that they personally chose the particular gift they described.

The subjects' spontaneous descriptions of gift-characteristics also indicated that gifts should be of good quality but inexpensive, American, unique or unavailable in the recipient's country, a reminder of the company, practical or useful, and small or lightweight to facilitate transportation of the gift.

To determine whether the choice of gift was systematically related to the reason for giving, a series of analyses were conducted. As mentioned earlier in this report, gift-giving intention was determined by a content analysis of responses to the question, "What did you want the gift to say?" The variable intention refers to the subject's intention when giving a particular gift he or she described. Responses were coded as strategic (emphasis on business goals), courtesy (emphasis on appropriateness) and personal (emphasis on appreciation of or interest in the relationship with the recipient). Two coders analyzed the responses. Initial intercoder agreement was 82 percent.

**Table 4**

Giving Intention

Courtesy	40%
Strategic	38%
Personal	22%

Chi Squares analyses indicate that the reason for giving (intention) is related to the type of gift

## Survey Results

selected. If American businesspersons wish to remind the recipient of the company (strategic intention), they usually select accessories or home and office decorations. Logo gifts are usually of this type. When selecting courtesy gifts, American businesspersons prefer perishable items and home and office decorations. The latter are not likely to be logo items, but rather framed photographs, artwork, porcelain or glass figures and other aesthetically appealing items. Finally, when selecting a personal gift, the American businesspersons chose books, magazine subscriptions and items unique to the recipient's tastes more often than other gifts. Unique items were primarily gifts known to be of value to the recipient. They may reflect a hobby, the style of the home, a compliment to intellectual interests, or a recognition of a special interest or an especially unusual conversation piece. Books and magazine subscriptions are also chosen with the recipient in mind. Books convey a message about the giver's perception of the recipient's taste in literature. Magazine subscriptions indicate that you know and appreciate the recipient's interests outside of business.

All gifts were coded as accessories, perishables, home and office decorations, books and magazines, unique gifts, or other gifts. The results of this coding procedure appear in Table 5.

**Table 5**  
Gift Types

<u>Gift Type</u>	<u>Percentage Response</u>
Home and office decorations	27%
Accessories	22%
Unique gifts	18%
Perishables	16%
Books and Magazines	10%
Other	7%

Chi Square analyses revealed that the three levels of intention (strategic, courtesy and personal) and the six types of gifts are systematically related ( $p$  less than .0001). It appears that people consider the purpose of their gifts when selecting them. Accessories and home and office decorations are typical strategic gifts. Perishables (e.g., liquor) and home and office decorations were the most frequently mentioned courtesy gifts. And personal gifts were primarily books and magazines and unique gifts.

Research Question Three: Do American businesspersons give differently in different regions of the world?

To obtain this information, analyses of variance comparing three regions of the world (Japan and Taiwan, Latin America and Western Europe) were

conducted.<sup>55</sup> These analyses indicate that region affects the security with which the American businessperson gives a gift, the importance of conversation value and the importance of the element of surprise.

It appears that Americans doing business in Japan are not as secure about the appropriateness of their gifts as they are in Western Europe. They are most secure in Latin America. The analysis of variance and Neumann-Keuls results appear in Table 6. (See Table 6 in Appendix.)

The fact that the subjects of this study felt more secure in their gift giving when in Latin America than when in Europe or Japan provides statistical support for the view of Latin gift-giving expressed earlier in this report. The Latins enjoy gift giving. They like it for its own sake and for the meaning it conveys. Unlike the Japanese, form is not of primary importance to them and the frequency of gift giving is not as foreign to the American businessperson. And, unlike in Europe, gifts are not as status-related in Latin America, nor are the occasions for giving so limited. There is a comfort about gift giving and receiving in Latin America which implies that obligation is not the primary motivation; it is the thought that counts.

Finally, American businesspersons consider the element of surprise more important in Western Europe than in the Orient or in Latin America. Table 7 provides these results. (See Appendix.) Examination of these results demonstrate that surprise in gifting is more important in Europe than in Latin America or Japan for a number of reasons. First, Orientals do not like to be surprised because they lose "face" if they are not prepared to reciprocate.

Latin Americans, while enjoying surprise more than the Japanese, expect gifts more than the Europeans. An alternative or supplementary explanation for the comparative European preference for surprise is that Americans perceive Europeans as more like themselves than the Latin Americans and Japanese. Americans value surprise in gift giving and so may believe that others like them also appreciate surprise.

American businesspersons also view conversational value as more important in the Orient than in Western Europe or Latin America.

According to Anna Chennault, conversation value is far more important than utility in Japan. To the Japanese, gifts are so frequent and sometimes so meaningless that a gift which intrigues them is

<sup>55</sup> These were the three regions with a sufficiently large sample size to conduct analyses of variance.

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especially valuable. A former president of the Committee for Economic Development told this researcher that "The Japanese have to know what something is and how to use it." This implies both an appreciation for utility and insatiable curiosity. The latter may be the reason why conversation value is important.

An alternative explanation is that the Europeans prefer gifts with a personal touch or no gift at all. And the Latin Americans appreciate the personal message of the gift much more than any aspect of the gift itself. Thus, the Japanese, by comparison, appear more concerned with the conversation value of the gift, a perspective also evidenced by their brand-consciousness.

Chi Square analysis testing the relationship of region to wrapping presents was significant ( $p$  less than .05). Although Chi Squares analyses merely indicate the absence or presence of a systematic relationship between two variables, cell percentages suggest that wrapping is especially important in Japan. The cell frequencies for Europe and Latin America were very similar, suggesting that the significant relationship between the two variables is due to the emphasis placed on wrapping presents in Japan.

According to Dr. Howard Van Zandt, wrapping gifts is very important in Japan because the Japanese people are very ceremonious and also generally prefer to avoid opening a gift in front of others. Gifts that are not wrapped place considerable pressure on the Japanese recipient to pretend that he likes a gift, even if he does not. The Japanese go to great lengths to avoid offense and to avoid creating situations in which some person may lose "face."

It is also important to remember that the Japanese do not wrap gifts in the same manner as we do in the United States. It is not necessary that the American businessperson relinquish his ways of wrapping, but it is advisable to avoid ribbons unless aware of the various meanings they convey in terms of recipient status. Also, the bows used in the United States to decorate packages are generally unappealing to the Japanese. The safest route is to have gifts wrapped in Japan by those familiar with the customs.

Research Question Four: Does the type of giving influence the perception, selection and presentation of gifts in other regions of the world?

General style of gift giving was determined by coding responses to the question, "What are some characteristics of a good international business gift?" into strategic, courtesy or personal emphasis. This variable, unlike intention, refers to general giving style rather than the style of giving peculiar to the one gift-giving event described by the subjects earlier in

the questionnaire. The results of this two coder procedure appears in Table 9. Initial intercoder agreement was 80 percent.

**Table 9**

General Giving Types

Strategic	19%
Courtesy	42%
Personal	39%

Pearson correlation indicates that general giving style and perceived importance of gift conversation value are related ( $r = .2576$ ,  $p$  less than .05). The more personal the style, the more important the conversation value.

Perhaps thoughtful gifts are those which one may talk about more easily with others compared with those characterized by utility.

General giving is also related to the preference for giving or receiving. Responses to the question, "Do you agree with the statement 'It is better to give than to receive?'" were compared to general giving styles. A Chi Square analysis suggests that courtesy givers enjoy receiving as much as giving, but that both strategic and personal givers prefer giving to receiving ( $p$  less than .05).

The strategic givers interviewed in this study often explained their preference for giving in terms of their goals. One executive said, "I'm a seller. I don't expect to receive." Another said, "I'm marketing oriented. To me being remembered is more important than receiving." And a senior vice president of a large Midwestern bank said, "It makes the other indebted to you and lays the groundwork for later business."

Courtesy givers responded much differently. One international businessman said, "It is better to give when you're receiving. It's worse to give and not receive; someone will lose 'face.'"

Several other courtesy givers described the gift-exchange as a pleasurable activity. A president of a Midwest company said, "It's always nice to get something back. But I don't ever remember expecting it." And a New Orleans executive explained, "The other should generally know about a gift in advance so that he might properly reciprocate." Another comment by this executive may explain the general tendency to prefer giving to receiving. He said, "Receiving a gift gracefully is much harder than giving."

Personal givers probably enjoy giving because they know the recipient well. Also, personal givers tend to do some research into the preferences of their foreign counterparts. This should increase their confidence and pleasure in giving.

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Research Question Five: Do American businessmen give gifts differently from American businesswomen?

Only nine of the 97 telephone survey subjects in this investigation were women. This made most statistical analyses impractical. However, some differences between businessmen and businesswomen can be implied from comparisons of percentages. All of the women replied "no" when asked if the gift they had chosen to describe was a logo gift. Forty percent of the men had indicated that the gift they had chosen to describe was a logo gift.

All of the women had chosen the gifts themselves and six of the nine had wrapped the gifts. Six of the nine considered it "very important" that a gift be distinctively American. Seven of the nine preferred giving to receiving. And, strategic giving was less frequent for females than for males.

Research Question Six: What are some of the concerns of American businesspersons when giving and receiving gifts in foreign lands?

Face-to-face interviews with twenty-five Fortune 500 international business executives provided the qualitative data needed to answer this question. Among the concerns expressed by these businessmen and women were (1) that the purpose of the gift might be misinterpreted; (2) concern over the possibility of incurring obligation or becoming obligated by return gifts; (3) concern over the possibility of embarrassing the recipient; (4) unwittingly committing a cultural faux pas; (5) determining what is appropriate given the nature of the relationship.

The delicate nature of intercultural gift exchange renders it an area of considerable concern to the American businessperson. Eighty-four percent of the telephone respondents and 100 percent of those interviewed in person for this study indicated that they could use a guide to international business gift exchange. This alone indicates that they are interested in knowing when and how to give and accept gifts in other countries.

Ninety-three percent of the telephone respondents indicated that they are at least somewhat sure that the one gift they chose to describe to the researcher was appreciated. However, in-person interviews and responses to several telephone survey questions indicate that confidence in gift giving and gift receiving is not high, even among the experienced businesspersons interviewed for this study. It appears that once the American businessperson has exhausted his or her limited repertoire of possible gifts, gift selection becomes a considerable challenge.

It is clear from this investigation that the potential for misperceptions of gift purpose is of considerable concern to American businesspersons

working in other countries. Several respondents indicated that U.S. laws prohibiting the giving of large gifts has made everyone uncomfortable.

One manager of business development of a Fortune 300 company told this researcher, "I'm always worried about taking a gift that might be too much." Another executive explained, "Gift giving used to be a nice touch. But in some countries it is now a bribe. Gift giving has become a lost art in those countries." And a former U.S. Ambassador said, "To keep gifts clearly gifts, the best thing to do is to make them personal, not ostentatious — and make them inexpensive." He added, "Monetary value and thoughtfulness differentiate between bribes and gifts."

According to Marcel Mauss, author of *The Gift*, and Wilton Dillon, author of *Gifts and Nations*, a gift always incurs obligation. Despite the fact that 89 percent of the telephone interviewees believed that the gift they described did not incur obligation, study of the various cultures indicates that gifts incur some form of obligation everywhere. Perhaps obligation to repay in kind is not apparent, but repayment in some form is necessary if one values the relationship.

Businesspersons interviewed for this study were very concerned about incurring obligation if their purpose was courtesy giving or personal giving. Strategic givers often admitted that obligation is their purpose. One executive explained that gifts can "oil the skids along the way" in a business relationship. Another described gift giving as "good salesmanship."

The majority of respondents in this study did not describe their gift giving as intending to incur obligation. On the contrary, most seemed concerned that obligation might result despite their efforts to avoid it. The concern with incurring obligation and becoming obligated was expressed frequently by subjects of the study.

The concept of "face" has been given considerable attention in this study. There is no region of the world where "face" is unimportant. The experienced international businessperson is aware of this fact. And, so, one of his concerns is how to avoid embarrassing others. The way most commonly suggested by study respondents is to learn about other cultures before you visit them. Also, as one Fortune 500 executive suggested, "Make your gift giving a forethought rather than an afterthought." Another executive said, "Americans do a very bad job of gift giving." He explained that we don't bother to find out what is acceptable or unacceptable in other countries.

One of the telephone survey questions was, "How important is the element of surprise in international business gift giving?" Only 16 percent of the respondents considered it "very important."

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When asked why they did not consider it important, several said that surprise gifts can embarrass the recipient. He or she may not have something to give to you. In the Orient this can cause the loss of "face" — and a consequent loss of business.

The timing of a gift presentation is as important as the gift itself. The Japanese like to give gifts when they meet others and also when they leave. In Europe gift giving is a personal expression, and so the appropriate time is after the relationship has developed. In the Peoples Republic of China, gifts should be given only after the completion of business negotiations.

Despite these general rules, American businesspersons are not confident about the timing of gifts. One executive suggests, "Never initiate a gift exchange. Always let them give first." Another said, "It's always better to give when you receive. Then no one loses face." An American businesswoman suggests, "Whenever you give a gift to a man in a foreign country, a gift should be given to his wife as well." In France, a gift brought to the home should be given as soon as you arrive. In the Peoples Republic of China, personal gifts should not be given in front of others, whereas in the Arab countries, giving in front of others dispels the notion of a bribe and affords your host public esteem.

As far as gift appropriateness is concerned, it is clear from the responses that a gift must be relationship-appropriate as well as culturally appropriate. Since no two persons ever have exactly the same impression of any relationship, this is not an easy rule to follow. Also, American businesspersons find it difficult to think of a "distinctively American gift." Ninety-four percent of the respondents view this as at least somewhat important. And yet, as one subject said, "It is a real challenge to find a distinctively American gift." To assist the reader of this report, Table 11 provides a list of distinctively American gifts derived from subject responses.

**Table 11**

### Distinctively American Gifts

Maple syrup	American Indian art or jewelry
U.S. stamps	Photo books of America or State
Stetson hats	Sunflower pins (Kansas)
American sports equipment	Records (e.g. Boston Pops - jazz)
Pen or desk set with company or state insignia	Pennsylvania Dutch items
American magazine subscription	Oreo cookies
Cigarettes	Steuben glass
Mugs	Scrimshaw
M&M's	Gold-plated aspen leaves (Colorado)

Road atlas	U.S. coins
Western belt buckles	California wines
T-shirts from U.S. colleges	U.S. Calendars
Liberty Bell miniatures	Local art
Latest in children's electronic toys	Peanut butter
Macademia nuts from Hawaii	Tool sets
	Grand Canyon paperweights
	Framed photos of a region or historic site

One executive told this researcher, "Anyone who doesn't give gifts is missing out on an important part of business." One of the reasons for his view was his belief in the remembrance-value of gifts. When asked why verbal sentiment is insufficient, several businesspersons mentioned the lasting memory value of gifts.

"Verbal thought is soon lost. A gift emphasizes and perpetuates the idea." Manager of business development, Fortune 500 oil company.

"Words don't last as long as something tangible. Circumstances often make it embarrassing to say 'thank you.'" Vice president of international business development, Fortune 500 company.

"The words 'thank you' are over used and commonplace. The art of sincere communication has been obscured." Vice president of Latin America, Midwest company.

"For the same reason that books aren't tape-recorded — retention value. Pens are good because you use them often. A reminder of your company may tip a business decision in your favor." Vice president of business development, Fortune 500 company.

These responses suggest that to renege on gift giving can negatively influence the success of business negotiations — especially in world regions where gift giving is a social requirement. Although respondents to this study expressed pride in being American, ninety-seven percent affirmed that they believe we should adjust to other cultures. One president of a major international marketing company said, "I'm a great believer that an American businessman should be an ambassador of good will from his country. Unfortunately, that is not usually the case." The international businesspersons personally interviewed were of one mind on the adjustment to other cultures: it is a necessity to do business.

One Fortune 500 vice president of international business explained, "There is no greater gift than information." Dr. Wilton Dillon, director of seminars at the Smithsonian Institute, explained to this researcher that the United States is most generous with its information. We give to other countries often without expectation of recompense. Here, Dr. Dillon says, is where we make our mistake. The one who gives must allow the recipient to repay. To do otherwise is to place the recipient in an inferior position while the giver basks in the superiority derived from generosity.

The preference for giving over receiving is understandable, but likely to elicit resentment rather than gratitude. People must be allowed to give as well as receive. The exchange need not be equitable in monetary terms, but there must be a satisfactory exchange. The perception of equity in gift exchange from the viewpoint of both parties must be present, or at least possible, for a relationship to survive.

This is where the American businessperson experiences a dilemma. Receiving is not comfortable for Americans. This American preference for giving is one of the primary reasons for the businessperson's discomfort with gift exchanges in his own and other cultures.

The second obstacle is the fact that we belong to an individualistic culture rather than to an associative culture. We have mobility. We are, more often than not, born and reared in families consisting of fewer than six people. Unlike the Japanese, we are not crowded. On the contrary, we expect to have our space. In contrast to the Arabs, we marry whomever we choose to marry and our occasional blunders bring shame to ourselves rather than to an entire family. Moreover, we do not win praise for our generosity so much as for our personal accomplishments. To the Arab, reciprocity is a way of life and there is no self without others, for it is they who define the self.

The Latin American male puzzles us because he expresses his affection without compromising his masculinity. He does not depend on his wife to select and present gifts in the proper fashion. And he does not measure a gift by its monetary value. He measures others by their sincerity and their potential as friends. He is not embarrassed by requests for assistance and takes great pleasure in assisting his friends.

Even the Europeans challenge our comprehension by their insistence on propriety in gift giving. A gift is a personal expression, one that must be carefully thought through and performed with the utmost suavity. A gift in Europe is considerably more than a gesture, or it is nothing at all, a debit rather than a credit to your reputation as a businessman.

And, finally, it is of some concern to us that our gifts given in the Peoples Republic of China can cause

the loss of "face." Should this occur, we might as well pack up our briefcases and head home. The gift, the timing of its presentation, and the mode of presentation must not be treated lightly in any country, especially in China. They are a people preoccupied with form.

Americans are unique in their emphasis on self. This perspective makes it difficult for Americans to comprehend and appreciate the ceremonious nature of the Japanese, his response to crowded conditions and his view of self as part of a larger unit. The gift escalation tendencies of the Arabs as a means of winning praise offend the American's sensibilities. The European seems aloof in his insistence on propriety, and the Chinese seems curiously hesitant to trust, while the Latin American comes on a bit too strong.

All of this can be offensive to the person who cannot relate to cultural differences by transcending the boundaries of his or her own customs and mores. This study suggests that above all others, this transcendence of one's cultural barriers presents the greatest challenge to the American who wants to conduct his business in foreign lands.

The second challenge is to define for oneself the meaning of a gift. It is important for Americans to separate a gift from a bribe in their own minds. One Fortune 500 vice president of personnel said, "If there is no compromise of business or personal interests by either party in the exchange, it is a gift." Perhaps this comes closer than other attempts to define what a gift is not. What a gift is can only be determined by the members of the exchange. At least two persons contribute to the definition of any gift and the intended message is not always the one received.

The third challenge is to admit to ourselves that gift giving is rarely, if ever, an act of disinterested generosity. Only then can we understand and appreciate the need others have to give to us. Despite the religious ideas that exalt pure giving, studies of cultures indicate that it is not common to human societies.

It is a source of some concern to this researcher that 89 percent of the telephone survey respondents thought that the gift they chose to describe for the study did not incur obligation on the part of the recipient. From readings of literature on the subject of giving, it is clear that all gifts incur some kind of obligation to some degree. Gifts incur obligation because human beings all over the world require, at the very least, some form of equity in their relationships. Otherwise, as George Homans suggests, they "incur inferiority."<sup>56</sup> The person you cause to

<sup>56</sup> Marcel Mauss, *THE GIFT: FORMS AND FUNCTIONS OF EXCHANGE IN ARCHAIC SOCIETIES*, translated by Ian Cunnison, New York: Norton, 1967.

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## Conclusion

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feel inferior can never feel comfortable as an equitable business counterpart — or a friend. It is wise for Americans to recognize that a gift in fact, obligates — even if it obligates differently in each culture and each relationship. One-sided or unbalanced generosity in a business relationship does much more harm than good.

The American businessperson who can understand that gift giving is a form of persuasion — which, in fact, incurs obligation and cries for balance in the give-and-receive equation — will be in a much better position than others to bridge some of the cultural gaps described in this study. The chances of their gifts being appreciated — and business negotiations moving forward — will be much greater.

## APPENDIX

**Table Six** — Security in Giving by Region

Source of Variation	D.F.	Sum of Squares	Mean of Squares	F	Significance
Between Groups	2	2.0334	1.0167	3.17	.0311
Within Groups	57	15.7000	.2754		
Total	60	17.7334		109	
<u>Newman-Keuls</u>					
Subset 1					
Group Mean		Group 1 (Japan) 2.5000		Group 3 (Europe) 2.7500	
Subset 2					
Group Mean		Group 3 (Europe) 2.7500		Group 2 (Latin America) 2.9500	

**Table Seven** — Value of Surprise by Region

Source of Variation	D.F.	Sum of Squares	Mean of Squares	F	Significance
Between Groups	2	4.9014	.4760	5.148	.009
Within Groups	56	26.6579			
Total	58				
<u>Newman-Keuls</u>					
Subset 1					
Group Mean		Group 2 (Latin America) 1.5500		Group 1 (Japan) 1.6500	
Subset 2					
Group Mean		Group 3 (Latin America) 2.2105			

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