

United Arab Emirates & Mexico: Do's and don'ts in negotiation strategies, "A Mexican perspective"

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Abstract

Nowadays, globalization is a reality in every area of a human life; not only considering a lack of barriers between countries, but also when thinking about business. There are many studies about the important aspects when negotiating worldwide, mainly in regards of differences in culture. Being successful in a negotiation requires the ability to develop special challenges and deal with the "unknown". Even for people with experience in cross-cultural communication, the differences in lifestyles may become in wrong practices during international business negotiations. Skilled negotiators have the ability to analyze each situation, taking advantage of the circumstances for a mutual benefit. Along with these skills, it is important to consider foreign bureaucracies, and the complete business process to achieve the previously stated objectives (International negotiations, Cross-cultural communication skills for international business executives, 2014).

This paper studies the main differences between two nations: United Arab Emirates and Mexico. Since they are very different cultures, the aim of this research is to help all the people who are thinking about starting a new business in any of these countries, by describing and analyzing some highlighted areas of these markets; such as history, geography, government, religion, food, tourism and language. This paper will present some insights of both cultures according to the Hofstede Model, as well as the do's and don'ts that negotiators must take into consideration when willing to reach a good deal abroad.

1. Introduction

International negotiation strategies are essential to handle the challenges that globalization represents. The reality is that people who have to make decisions about business sometimes realize that everything they know about the culture of the people who they are about to deal with, actually comes from TV and movies. It's necessary to answer some questions before starting a new negotiation, for instance, how are we supposed to behave there? What can we say or not? Will they understand what we have to tell them? How should we negotiate with them? Having a complete knowledge about the accepted attitudes in the country where we want to invest is a specific determinant of growth in the international business context, since it is the key to expand to new markets all over the world.

Within the last few decades the number of international negotiations has been increasing rapidly. This trend is especially evident through globalization progress, which has caused that interaction with people from different cultures become somehow common; in the diplomatic environment as well as in the business one. Similar processes occurring worldwide were most likely the reason for increased interest in this topic among the scholars (Lewicki, Saunders, Minton, and Barry, 2006).

Within the business context, there have been specific markets that have been the priority for some entrepreneurs worldwide, because of their economic development throughout the human history. However, in the current years, some other countries are increasing their participation in global business. One of these countries, considered an emerging economy is United Arab Emirates. In Mexico, businessmen are aware of this specific emerging market as a real opportunity to enter directly to the Middle East and somehow gain the acceptance of a different public. This market represents a challenge for the occident world due to the differences in culture that is why there is a trend to study and understand their behavior and beliefs.

In order to achieve a successful interaction between negotiators is very important to identify the best practices in both, Mexican and United Arab Emirates cultures, by this way, people interested in making business in a global environment, will be able to reach their goals easily, communication skills, social and

personal abilities, public and interpersonal relationships and a suitable image are some of the points that are best described in this paper.

2. Geographical location, population, government and brief history

2.1 United Arab Emirates

The United Arab Emirates (UAE) is a federation situated southeast of the Arabian Peninsula on the Persian Gulf, is composed of seven emirates: Abu Dhabi, Ajman, Dubai, Fujairah, Ras al-Khaimah, Sharjah and Umm al-Quwain. It borders Oman to the southeast and to the north and Saudi Arabia to the west and south. The languages spoken are: Arabic, Persian, English, Hindi and Urdu, Area: 77,700 square kilometers, Capital: Abu Dhabi, Population: 4, 618,000 inhabitants, Currency: Dirham.

Government The constitutional system of federal UAE government comprises the following institutions: Supreme Council, Council of Ministers, Federal National Council and Federal Judicial Power. Each of the seven emirates has its own local government. They have a comprehensive system of municipalities and departments. The relationship between local and federal governments is stipulated in the Constitution, which allows some flexibility in the distribution of powers. His Highness Sheikh Khalifabin Zayed Al Nahyan was elected President of the UAE on November 3rd, 2004, after the death of his father, Sheikh Zayed bin Sultan Al Nahyan. The latter served as President since the founding of the state until his death on November 2nd, 2004.

History

- 1945 – The League of Arab States was established.
- 1962 – Abu Dhabi exports oil for the first time.
- February 1968 – It was announced the intention to form a Federation of Arab Gulf Emirates.
- December 2nd, 1971 – Qatar and Bahrain decided to form separated states, the remaining six emirates declared their independence.
- February 11th, 1972 – Ras Al Khaimah joined the six emirates, and the UAE was formed with its current structure.

2.2 México.

The official name is *United Mexican States*. Its political division covers 32 free and sovereign states. Area: 1,973,000 square kilometers. It is located between the meridians 86 ° 46 ' and 107 ° 08' west of Greenwich and the parallels 14 ° 32 ' and 32 ° 43' north and bordered by North America, Eastern Gulf of Mexico, South Belize and Guatemala; West Pacific Ocean. Population: 112,336,539 inhabitants, Capital: Mexico City. The metropolitan area covers the Valley of Mexico 170.000 hectares of territory.

The official language spoken is Spanish; nevertheless, the country has at least 68 languages that are historical heritage of all ethnic groups in America. Currency: Mexican peso. Religion: according to INEGI, in 2010, 88% of the population was catholic, protestant 5.2% and 4.3% professed evangelicals and other religions.

Government: The current constitution dates from February 5th, 1917, having been renewed in more than 500 occasions. Mexico, in accordance with the above, is a Federal Republic Representative. The president of Mexico, Enrique Peña Nieto was elected last July 2nd, 2012 and started his period since December 1st, 2012.

History

- 1810 – Beginning of Independence movement led by Miguel Hidalgo.
- 1821 – Mexico was officially declared an independent state.
- 1910 – Mexican Revolution or Civil War started. Its main objective was to reform the agrarian law.
- 1917 – Creation of the Mexican Constitution.

The last 60 years have been characterized by industrial expansion, rapid population growth and political domination. In the first six years of the 1980's things slowed down as a result of a recessionary world economy. Vast austerity and strict debt restructuring measures were a direct result of that decade for the Mexican economy. In the past few years, the Mexican government has carefully tried to steer a new and prosperous Mexico in the direction of becoming a first world economy. However, and despite the efforts in allying itself as partner in trade with Canada and the United States unexpected political and economical events in the early 1990's have conspired to delay achievement of this goal.

3. Religion

3.1 United Arab Emirates

The official religion is Islam; approximately 76% of the population is Muslim. Of all Muslims, 85 % are Sunni and 15% are Shia. In the UAE some other religions are also practiced though to a lesser extent, 9% of the population is Christian and 15% practiced another religion or are atheists. Dubai is the only emirate in the UAE which has a Hindu temple and there are also Catholic Church buildings.

3.2 Mexico

According to Instituto Nacional de Estadística y Geografía (INEGI), the 2010 statistics showed that the Roman Catholicism is the main religion, with 82.7% of the population, while 9.7% belong to other Christian denominations. Less than 0.2% of the total population belongs to other, non-Christian religions; 4.7% declared having no religion; 2.7% were unspecified. The Catholics of Mexico constitute in absolute terms the second largest Catholic community in the world, after Brazil's, 47% percent of them attend church services weekly. The feast day of Virgin of Guadalupe, the patron saint of Mexico, is celebrated on December 12 and is regarded by many Mexicans as the most important religious holiday of their country. According to the 2010 census, there are 67,476 Jews in Mexico. Islam is practiced by a small population in the city of Torreón, Coahuila, and there are an estimated 300 Muslims in the San Cristóbal de las Casas area in Chiapas. In the 2010 census 18,185 Mexicans reported belonging to an Eastern religion, a category which includes a tiny Buddhist population (Censo de Población y Vivienda 2010, Cuestionariobásico, INEGI, March 4th, 2011).

4. Cuisine

4.1 United Arab Emirates

In the United Arab Emirates is very common to find international cuisine, as well as traditional Arabic food. Some of the typical dishes of this cuisine that are "mandatory" to try when visiting the country are:

- Shawarma: very similar to Turkish kebab, prepared with beef, chicken or lamb.
- Tabbule: salad made with cucumbers, peppers, lettuce, tomato, lemon and spices.
- Humus: mashed chickpeas and sesame.
- Mutabal: eggplant caviar.
- Madroba: type of dry fish, pre-hydrated with butter.
- Falafel feffle: stuffed peppers.
- Faina: chickpea tortilla.
- Quebe: meat balls with flour and spices.
- Tagine: lamb stew with onions and tomatoes, very spicy, sweet and sour.
- Samosas: Arabic pie.
- Baklawa: Typical dessert made with filo pastry, filled with nuts and sugar.

In the UAE you can find fresh fruit juices of many varieties. Coffee is consumed throughout the day and is normally scented with cardamom and sugar.

4.2 Mexico

Mexican cuisine is known for its intense and varied flavors, colorful decoration, and variety of spices. Most of today's Mexican food is based on pre-Columbian traditions, including Aztec and Maya, combined with culinary trends introduced by Spanish colonists. The conquerors eventually combined their imported diet of rice, beef, pork, chicken, wine, garlic and onions with the native pre-Columbian food, including corn, tomato, vanilla, avocado, guava, papaya, pineapple, chili pepper, beans, squash, sweet potato, peanut, and turkey. In modern times, other cuisines of the world have become very popular in Mexico, thus adopting a Mexican fusion. The most internationally recognized dishes include:

- Chocolate
- Tacos: corn tortilla filled with meat and vegetables.
- Quesadillas: corn tortilla filled with grilled cheese.
- Tamales: corn flour pastry filled with sweet or salty ingredients.
- Mole: typical sauce made with a variety of chili peppers and chocolate; normally mixed with poultry.

- Chile en nogada: poblano chili filled with picadillo (a mixture usually containing ground meat, fruits and spices) topped with a walnut-based cream sauce, called nogada, and pomegranate seeds.
- Pozole: corn based soup with pork; served with different toppings such as lettuce, onion, radish, oregano, lime and chili.
- Chilaquiles: fried corn tortillas served with spicy tomato sauce, sour cream, cheese and poultry.

The most famous Mexican liquor is Tequila, which is consumed very often in any celebration. In fact, Mexico is recognized worldwide for producing this typical drink.

5. National symbols

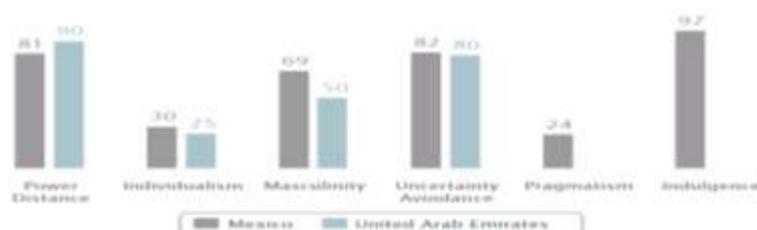
5.1 United Arab Emirates

- National flag: it was adopted on December 2nd; 1971. The colors of the flag are red, green, white and black. The colors have the following meanings: green, fertility; white, neutrality; red, the unit; black, oil wealth within the country's borders.
- National anthem: ĪschīBilādī (meaning in English: Long Live my Nation), was officially accepted as the United Arab Emirates' national anthem after the formation of the country in 1971.
- National emblem: it was officially adopted in 1973. It consists of a golden falcon (Hawk of Quraish). The falcon had a red disk which shows an Arab sailboat in its interior. The disk is surrounded by a chain. The falcon holds with its talons a red parchment bearing the name of the federation in script. On March 22nd, 2008, the emblem was modified. The main change was that the disc was replaced by the UAE flag and seven stars representing the seven Emirates of the federation.

5.2 Mexico

- National flag: it was created and adopted in 1821. The three colors of the flag are green, white and red, the colors have the following meanings: green, independence; white, the purity of religion; red, the unit. However, the meaning of the colors changed because of the secularization of the country. The new color meanings are as follows: green, hope; white, unity; red, blood of the national heroes.
- National anthem: was officially adopted in 1943. The lyrics of the national anthem, allude to Mexican victories in the heat of battle and cries of defending the homeland, the anthem, consisting of ten stanzas and a chorus, entered into use on September 16th, 1854.
- National emblem: according to the official story of Mexico, the emblem of Mexico was inspired by an Aztec legend regarding the founding of Tenochtitlan. It consists of a golden eagle standing right on the top of a cactus, eating a snake.

6. Hofstede dimensions



6.1 United Arab Emirates

Power distance: the United Arab Emirates scores high on this dimension (score of 90) which means that people accept a hierarchical order in which everybody has a place and which needs no further justification. Hierarchy in an organization is seen as reflecting inherent inequalities. Centralization is popular, subordinates expect to be told what to do and the ideal boss is a benevolent autocrat.

Individualism: the United Arab Emirates, with a score of 25 is considered a collectivistic society. This is manifest in a close long-term commitment to the member 'group', be that a family, extended family, or extended relationships. Loyalty in a collectivist culture is paramount, and over-rides most other societal rules and regulations. The society fosters strong relationships where everyone takes responsibility for fellow members of their group. In collectivist societies offence leads to shame and loss of face,

employer/employee relationships are perceived in moral terms. Hiring and promotion decisions take account of the employee's in-group; management is the management of groups.

Masculinity: Arab Emirates scores 50 on this dimension and can be considered to be neither masculine nor feminine.

Uncertainty avoidance: Arab Emirates scores 80 on this dimension and thus has a high preference for avoiding uncertainty. Countries exhibiting high uncertainty avoidance maintain rigid codes of belief and behavior and are intolerant of unorthodox behavior and ideas. In these cultures there is an emotional need for rules (even if the rules never seem to work) time is money, people have an inner urge to be busy and work hard, precision and punctuality are the norm, innovation may be resisted, security is an important element in individual motivation.

Pragmatism: there is currently no score available for the United Arab Emirates on this dimension.

Indulgence: there is currently no score available for the United Arab Emirates on this dimension.

6.2 México

Power distance: at a score of 81, Mexico is a hierarchical society. This means that people accept a hierarchical order in which everybody has a place and which needs no further justification. Hierarchy in an organization is seen as reflecting inherent inequalities, centralization is popular, subordinates expect to be told what to do and the ideal boss is a benevolent autocrat.

Individualism: Mexico, with a score of 30 is considered a collectivistic society, this is manifest in a close long-term commitment to the member 'group', be that a family, extended family, or extended relationships. Loyalty in a collectivist culture is paramount, and over-rides most other societal rules and regulations. The society fosters strong relationships where everyone takes responsibility for fellow members of their group. In collectivist societies offence leads to shame and loss of face, employer/employee relationships are perceived in moral terms, hiring and promotion decisions take account of the employee's in-group, management is the management of groups.

Masculinity: Mexico scores 69 on this dimension and is thus a masculine society. In masculine countries people "live in order to work", managers are expected to be decisive and assertive, the emphasis is on equity, competition and performance and conflicts are resolved by fighting them out.

Uncertainty avoidance: Mexico scores 82 on this dimension and thus has a very high preference for avoiding uncertainty. Countries exhibiting high uncertainty avoidance maintain rigid codes of belief and behavior and are intolerant of unorthodox behavior and ideas. In these cultures there is an emotional need for rules (even if the rules never seem to work) time is money. People have an inner urge to be busy and work hard, precision and punctuality are the norm. Innovation may be resisted; security is an important element in individual motivation.

Pragmatism: the relatively low score of 24 means that the Mexican culture is normative. People in such societies have a strong concern with establishing the absolute truth; they are normative in their thinking, they exhibit great respect for traditions, a relatively small propensity to save for the future, and a focus on achieving quick results.

Indulgence: with a very high score of 97, Mexican culture has a definite tendency toward indulgence. People in societies classified by a high score in indulgence generally exhibit a willingness to realize their impulses and desires with regard to enjoying life and having fun. They possess a positive attitude and have a tendency towards optimism. In addition, they place a higher degree of importance on leisure time, act as they please and spend money as they wish.

This comparison chart between Mexico and UAE shows some similar scores in two of the dimensions described by Hofstede, these dimensions are "Individualism" and "Uncertainty avoidance". Therefore, it can be taken as an advantage to make cultural and business exchanges within these two countries, as the perception of the situations of the members of both nations area like despite the geographical and social differences.

7. Do's and Don'ts: business negotiation strategies

A Mexican Businessman in UAE

<p>DO'S</p> <ul style="list-style-type: none"> • Accept and drink coffee any time is offered during a meeting; it is considered an important social ritual. • Sit separated men and women during any meeting. • Try all dishes offered during dinner. • Use cabs, they are usually clean, cheap and efficient. • Be aware that the official days off are usually Fridays and Saturdays. • Be confident by speaking English in any business affairs, • Always keep eye contact during negotiation. • Speak confidently, without hesitation. • Receive gifts. • Take gifts for your Arab colleague and his male relatives. • Bargain in a friendly manner. • Select a team leader over 30 years old (Arabs consider age represents experience). • Give art crafts as presents. • Ask about family before introducing the business topic. • Be aware Arab men use to greet by kissing. • Take into account religion strongly influences social and business behavior. 	<p>DONT'S</p> <ul style="list-style-type: none"> • Make any criticism to families in the power of any of the seven emirates. • Schedule any business appointment, during Ramadan Season. • Show any disrespectful attitude towards their religious beliefs and practices, as is considered a terrible offense. • Eat, drink or smoke in public places until sunset during the Ramadan period. • Show any public display of affection between men and women. • Wear clothes that show certain parts of the body that might be considered offensive for Muslims. • Drink alcohol while meeting negotiations. • Offer pork or alcohol to Muslims when inviting them for dinner. • Make business appointments on Fridays, because it is the official day off. • Offer Tequila bottles as a gift (nor any other alcoholic beverage). • Include any woman when negotiation appointments. • Question any Islamic taboos, such as alcohol and pork consumption or Muslim female roles. • Discuss Israel or Iraq issues.
<p>An United Arab Emirates Businessman in Mexico</p>	
<p>DO'S</p> <ul style="list-style-type: none"> • Consider a 15 minutes tolerance acceptance for almost any type of appointment; however in business it is appropriate to be on time, even if you are kept waiting by your Mexican associates. • Try to speak in Spanish, however rudimentary, it will be considered as a nice gesture. • Wear professional attire when attending business affairs. • Shake hands and always start with women. • Women may greet each other with a kiss on cheek-to-cheek hug, even if it I the first time meeting. • Tip around 15% of service charge when eating on a restaurant. • Show interest in family affairs before business. • Be aware that social status is very important for Mexicans; your personal image might be crucial when negotiating. • While gift giving is not always a must when doing business in Mexico, gifts are much appreciated. • Consider it might be possible to deal with a woman. • Always keep eye contact during negotiation. • Leadership is very autocratic. • Humor is also frequently used as a tool in negotiations. • Use surnames with formal titles. 	<p>DONT'S</p> <ul style="list-style-type: none"> • Mention that Mexico is located in Central or South America. IT IS ACTUALLY PART OF NORTH AMERICA. • Make disrespectful comments about native and indigenous people. • Go straight to the point on a business meeting, it might be considered completely rude. • Feel uncomfortable by accepting an invitation for a meal on a restaurant. MOST BUSINESS DEALS IN MEXICO ARE ACCOMPLISHED IN THIS CONTEXT. • Complete business deals by phone or e-mail, Mexicans prefer to do business in person. • Compare the way things are done in Mexico with the way they are done in any other country; Mexicans have a strong nationalism spirit. • Point out a person, doing so is considered disrespectful (Rundle, Carvalho&Robbinson, 1999). • Raise your voice is thought to indicate anger. • Discuss about any political affair or corruption issues.

8. Discussion & conclusions

Throughout the years, international context will keep evolving, modifying cultural behaviors worldwide. Therefore, economical, political, technological, and social factors – among others- will determine the course of developing business strategies. This evolution has to be taken into account when thinking in future studies related to this topic so the information will continue being accurate.

Even though on comparison showed that as a culture, as both Mexico and UAE are very similar in the level of individualism for negotiations as the management of uncertainty, we need to reinforce the importance of having a long term vision for business.

Today, an aspect that should be considered by every nation in the world is that we must be able to adapt to the global conditions that are presented today because we live in a global world in which besides exchanging goods and services, also exchanged the workforce. Today we have working in Mexico Muslims and are Mexicans in United Arab Emirates, etc. Spite of all this, as a Mexican woman I am aware that today I could not be who could do some negotiation with Muslims about their beliefs and their culture, is that so I would have to change or adapt my strategy.

9. Research limitation and direction for further research.

One of the limitations we faced when developing this investigation was a lack of experience in a real business negotiation with the Muslim culture. Another limitation on this study is that as long as it is based in negotiation practices for business affairs, there were some variables left aside such as sociological or anthropological aspects for both countries. So for future research, issues like sociological and anthropological will be an axis in the investigation because we have to know the possibilities that exist for every culture for adapting to cultural changes that globalization generates. However one of the major limitations in religious beliefs as this aspect cannot do controversy.

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