

Negotiating International Business - Turkey

This section is an excerpt from the book "Negotiating International Business - The Negotiator's Reference Guide to 50 Countries Around the World" by Lothar Katz. It has been updated with inputs from readers and others, most recently in March 2008.

Though its culture is quite homogeneous, Turkish businesspeople, especially those among younger generations, are usually experienced in interacting and doing business with visitors from other cultures. However, that does not always mean that they are open-minded. When negotiating business here, realize that people may expect things to be done 'their way.' Business practices may show European or Asian/Arabic influences. Turks are often very patriotic and can be intensely nationalistic. This is a proud nation and its people may strongly reject any critique of its ways. In addition, always keep in mind that this is an Islamic country. Showing any disrespect for the religion could have disastrous consequences.

Many businesses in Turkey are controlled by only a few powerful groups and families. It is vital to understand those influences upfront in order to determine who the real stakeholders in your negotiation are. Otherwise, you may end up wasting time without getting anywhere.

Relationships and Respect

Turkey's culture is generally group-oriented. Asserting individual preferences may be seen as less important than having a sense of belonging to a group, conforming to its norms, and maintaining harmony among its members. Building lasting and trusting personal relationships is therefore very important to most Turks, who often expect to establish strong bonds prior to closing any deals. People in this country usually want to do business only with those they know and like. Establishing productive business cooperation requires a long-term perspective and commitment. Consequently, proceed with serious business discussions only after your counterparts have become very comfortable with you. This is usually a slow process. Turks tend to distrust people who appear unwilling to spend the time or whose motives for relationship building are unclear.

Business relationships in this country exist between people, not necessarily between companies. Even when you have won your local business partners' friendship and trust, they will not necessarily trust others from your company. That makes it very important to keep company interfaces unchanged. Changing a key contact may require the relationship building process to start over.

Establishing personal relationships with others in Turkey can create powerful networks. Whom you know may determine whether people want to get to know you. Maintaining cordial relations is crucial. Third party introductions can be very helpful as a starting point to building a trusting relationship with a potential partner, especially since Turks may initially not trust outsiders who are neither part of their family nor of their circle of friends.

'Saving face' is very essential in Turkey. Causing embarrassment to another person may cause a *loss of face* for all parties involved and can be disastrous for business negotiations. The importance of diplomatic restraint and tact cannot be overestimated. Keep your cool and never show openly that you are upset. Avoid open conflict, and know that politeness is crucial. While Turks are usually very friendly, they tend to be very proud and may be easily offended.

In Turkish business culture, the respect a person enjoys depends primarily on his or her status and age. It is crucial to treat elderly people with the greatest respect. Admired personal traits include patience, flexibility, and sociability.

Communication

Turkish is the country's official language. Many businesspeople speak at least some English, French, and/or German. Especially with high-ranking managers, it may be beneficial to use an interpreter. To avoid offending the other side, ask beforehand whether an interpreter should be present at a meeting. When communicating in English, speak in short, simple sentences and avoid using jargon and slang. It will help people with a limited command of English if you speak slowly, summarize your key points often, and pause frequently to allow for interpretation.

Note that Turks dislike the use of acronyms and abbreviations. It is strongly advisable to spell out everything clearly, both in your oral and written communication.

Since they respect assertiveness, Turks usually speak forcefully, though not overly loud. They may occasionally raise their voices to make a point or demonstrate passion. Emotions are often shown openly. People in the country generally converse in close proximity, standing only two feet or less apart. Never back away, even if this is much closer than your personal comfort zone allows. Doing so could be read as a sign that you are uncomfortable around them.

Communication in Turkey may sometimes appear vague, especially early in your business interactions. Your local counterparts may become more direct and frank as the relationship strengthens. However, always watch for subtle messages that may signal issues and concerns. Silence may communicate a negative message, but it may also not mean anything, so do not read too much into it.

Gestures and body language can be extensive. It is often not a good idea to imitate them, though. There may be frequent physical contact with others of the same gender. Men may greet each other by kissing each other's cheeks as a sign of friendship. Since Muslims consider the left hand unclean, use it only if inevitable. The American OK sign, with thumb and index finger forming a circle, is an obscene gesture in Turkey. It is also rude to cross your arms while facing another person or to blow your nose in public. Eye contact should be frequent, almost to the point of staring. This conveys sincerity and helps build trust.

Shaking the head from side to side traditionally means, 'I don't understand' rather than 'no.' The Turkish way to signal 'no' is by raising the eyebrows, sometimes together with a *tsk* sound and a backward tilt of the head. A slight bow of the head traditionally signals 'yes.' However, many Turks have adopted the western way of nodding or shaking the head.

Initial Contacts and Meetings

Before initiating business negotiations in Turkey, it is advantageous to identify and engage a local intermediary. This person will help bridge the cultural and communications gap, allowing you to conduct business with greater effectiveness.

Negotiations in Turkey can be conducted by individuals or teams of negotiators. It is vital that teams be well aligned, with roles clearly assigned to each member. Turks may be very good at exploiting disagreements between members of the other team to their advantage. Changing a team member may require the relationship building process to start over and should therefore be avoided.

If possible, schedule meetings at least one to two weeks in advance. Since people want to know whom they will be meeting, provide details on titles, positions, and responsibilities of attendees

ahead of time. While meetings may start considerably late, Turks generally expect foreign visitors to be punctual. Avoid being more than 15 minutes late, and call ahead if you will be. Displaying anger if you have to wait only reflects poorly on you.

Names are usually given in the order of first name, family name. However, ways to address a Turk properly differ and may depend on age, international experience, and other factors. Using *Mr./Mrs./Miss* plus the family name is usually acceptable. However, some older Turks may view this as disrespectful. It may be best to inquire from someone upfront or politely ask the person how to address him or her correctly. In that case, make sure you do the same for your own name. Titles, such as *Doctor* or *Professor*, are highly valued, and are often used without adding the person's family name. Do not call Turks by their first name unless they offered it, which is rare. Greet the most senior person first, and then greet everyone else in the room individually. Introductions are accompanied by firm handshakes using the right hand.

After the introductions, wait to see whether your Turkish counterparts want to exchange business cards. If they do, this may signal interest in building a business relationship, and you should offer your card to everyone present. You do not have to translate your cards into Turkish, but that will be appreciated. Show doctorate degrees on your card and make sure that it clearly states your professional title, especially if you have the seniority to make decisions. Present your card with your right hand, with the print facing the recipient. Similarly, accept others' cards using only the right hand. When presenting your card, smile and keep eye contact, then take a few moments to look at the card you received. Next, place it on the table in front of you.

Meetings start with small talk, which can be extensive. It is important to be patient and let the other side set the pace. Initial meetings are quite formal, and although this may get more relaxed as the relationship develops, be careful not to appear too casual. Although some humor is welcome, business is a serious matter in Turkey.

The primary purpose of the first meeting is to get to know each other. Business may or may not get discussed. Do not try to hurry along with your agenda. It is unrealistic to expect initial meetings to lead to straight decisions.

Presentations should be short and concise. Make sure your proposal is clearly structured and presented. Your presentation materials should be attractive, with good and clear visuals. Turks communicate primarily orally and visually, so avoid using too much text. Use diagrams and pictures wherever feasible, and avoid complicated expressions. Having your handout materials translated to Turkish is not a must, but it helps in getting your messages across.

Negotiation

Attitudes and Styles - In Turkey, the primary approach to negotiating is to employ distributive and contingency bargaining. It may include tough bargaining at many levels. While the buyer is in a superior position, both sides in a business deal own the responsibility to reach agreement. They expect long-term commitments from their business partners and will focus mostly on long-term benefits. Although the primary negotiation style is competitive, Turks nevertheless value long-term relationships and look for win-win solutions. While proposals should demonstrate the benefits to both negotiating parties, attempts to win competitive advantages should not be taken negatively. You earn your counterparts' respect by maintaining a positive, persistent attitude. Always consider that negotiating in Turkey may be about aspects such as power, influence, or honor as much as it is about financial benefits.

Should a dispute arise at any stage of a negotiation, you might be able to reach resolution through stating your own objections and inquiring about their concerns. Taking them seriously and showing

commitment to personal relationships goes a long way even if you continue to avoid weak compromises. However, refrain from using logical reasoning or becoming argumentative since this will only make matters worse.

Sharing of Information - Information is rarely shared freely, since the Turkish believe that privileged information creates bargaining advantages. In addition, data and statistics about the country are not always reliable, even when shared with the best of intentions. Even publicly available data may be inaccurate, making it vital to conduct your own detailed research if necessary.

Pace of Negotiation – Expect negotiations to be slow and protracted, and be prepared to make several trips if necessary to achieve your objectives. Initial exchanges that precede the bargaining stage of the negotiation may be lengthy. Decisions are usually made between meetings rather than at the table. Throughout the negotiation, be patient, control your emotions, and accept that delays occur. Attempts to rush the process are unlikely to produce better results and may be viewed as offensive.

Turks generally employ a polychronic work style. They are used to pursuing multiple actions and goals in parallel. When negotiating, they often take a holistic approach and may jump back and forth between topics rather than addressing them in sequential order. Negotiators from strongly monochronic cultures, such as Germany, the United Kingdom, or the United States, may find this style confusing, irritating, and even annoying. In any case, do not show irritation or anger when encountering this behavior. Instead, keep track of the bargaining progress at all times, often emphasizing areas where agreement already exists.

If your counterparts appear to be stalling the negotiation, assess carefully whether their slowing down the process indicates that they are evaluating alternatives or that they are not interested in doing business with you. While such behavior could represent attempts to create time pressure in order to obtain concessions, the slow decision process in the country is far more likely causing the lack of progress. People from fast-paced cultures tend to underestimate how much time this takes and often make the mistake of trying to 'speed things up.' Again, patience and persistence are vitally important.

Bargaining – Most Turks enjoy bargaining and haggling. They expect to do a lot of it during a negotiation and may be seriously offended if you refuse to play along. The bargaining exchange of a negotiation can be very extensive. Opening stage and initial offers on both sides are critically important when negotiating with Turks. Many believe that the first person to quote a price will end up getting the worse part of the deal, and that initial proposals should never be accepted. Accordingly, either they may wait for you to make an initial offer and then reject it right away, or they open with an extreme offer that is far from realistic, carefully watching your response. Know your objectives, and work slowly and persistently towards them.

Prices often move 40 percent or more between initial offers and final agreement. Leave yourself a lot of room for concessions at different stages. When conceding, present this as a decision you made because you like and respect your counterpart. Always ask the other side to reciprocate. You can use the fact that aspects can be re-visited to your advantage, for instance by offering further concessions under the condition that the Turkish side reciprocate in areas that had already been agreed upon.

Deceptive techniques are frequently used. This includes tactics such as telling lies and sending fake non-verbal messages, pretending to be disinterested in the whole deal or in single concessions, misrepresenting an item's value, or making false demands and concessions. Expect your Turkish counterparts to be good at this game. They may occasionally play stupid or otherwise attempt to

mislead you in order to obtain bargaining advantages. Do not take such tactics personally and realize that overt attempts to lie at or bluff your counterparts could backfire and might damage business relationships. Lies will be difficult to detect. It is advisable to verify information received from the local side through other channels. Similarly, they treat 'outside' information with caution. Even when you can see right through a lie, it would be a grave personal insult to state or even hint that your counterpart is not telling the truth. Turks may claim limited authority, stating that they have to ask for their manager's approval. This could be a tactic or the truth.

Negotiators in the country may use pressure techniques that include making final offers or nibbling. Final offers may come more than once and are rarely final. Do not use tactics such as applying time pressure, opening with your best offer, or making decreasing or expiring offers, since your Turkish counterparts could view these as signs that you are not willing to build a long-term relationship. They may choose to terminate the negotiation. Silence can be an effective way to signal rejection of a proposal.

Turkish negotiators avoid openly aggressive or adversarial techniques but may use more subtle versions. Extreme openings are frequently employed as a way to start the bargaining process. In addition, they may make indirect threats and warnings or subtly display anger. Use these tactics with caution yourself since they may adversely affect the relationship if employed too aggressively. Do not walk out or threaten to do so as your counterparts will likely take this as a personal insult and may end all talks.

Emotional negotiation techniques, such as attitudinal bargaining, sending dual messages, attempting to make you feel guilty, grimacing, or appealing to personal relationships, are frequent and can be effective. Be cautious not to cause loss of face when employing any of them yourself. Also, know that Turks tend to exaggerate situations and can become quite emotional during fierce bargaining. It is best to remain calm. At times, defensive tactics such as blocking or changing the subject, asking probing or very direct questions, making promises, or keeping an inflexible position may be used.

Corruption and bribery are quite common in Turkey's public and private sectors. However, people may draw the line differently, viewing minor payments as rewards for getting a job done rather than as bribes. Also, keep in mind that there is a fine line between giving gifts and bribing. What you may consider a bribe, a Turk may view as only a nice gift, and so much as hinting that you view it differently could be a grave insult to the person's honor. It may help if you introduce and explain your company's policies early on, but be careful not to moralize or appear to imply that local customs are unethical.

Decision Making – Most companies tend to be very hierarchical, and people expect to work within clearly established lines of authority. Many of Turkey's businesses are still family-owned. Although the pace of business is accelerating, decision making can be a very slow process. Decision makers are usually senior executives who consider the best interest of the group or organization. They may consult with others before making the call. Subordinates may be reluctant to accept responsibility. Decision makers also rarely delegate their authority, so it is important to deal with senior executives. You may have to 'work your way up,' meeting and negotiating with less senior managers or members of a family first. Once they consider you trustworthy, you will move on to meet others who are more senior. Though this process is very time-consuming, it is vital never to lose your patience along the way.

When making decisions, businesspeople may consider the specific situation or follow universal principles. Personal feelings and experiences weigh much more strongly than empirical evidence and other objective facts do. Turks are often willing to take risks, which are seen as a way to develop self-reliance.

Agreements and Contracts

Capturing and exchanging written understandings after meetings and at key negotiation stages is useful since oral statements are not always dependable. It may be helpful to ask your counterparts to initial these write-ups as a way to document consensus. However, do not mistake them for final agreements. Any part of an agreement may still change significantly before both parties sign the contract.

Businesspeople in the country understand and respect the role of a contract. Written contracts tend to be lengthy and often spell out detailed terms and conditions for the core agreements as well as for many eventualities. Contracts may prove difficult to align between the English and the Turkish version since intentions may prove hard to translate. It is important to review all different language versions independently. Nevertheless, writing up and signing the contract is a formality. Turks believe that the primary strength of an agreement lies in the partners' commitment rather than in its written documentation.

It is advisable to consult a local legal expert before signing a contract. However, do not bring your attorney to the negotiation table. Turks may read it as a sign of mistrust if you do.

Signed contracts may not always be honored. This depends to no small degree on the strength of the continuing relationship between the contract partners. It is strongly advisable to continue staying in touch and maintaining the trust of your Turkish business partner. Business partners usually expect the other side to remain somewhat flexible if conditions change, which may include agreeing to modify contract terms.

Women in Business

Turkey remains a male-dominated society. However, there are substantial differences across the country. In its European part, especially in Istanbul, lifestyles and gender equality may be similar to those of western countries, and many women hold professional positions, including very senior ones.

In the Asian part of the country, women are struggling to attain positions of similar income and authority as men, while many of them may not even be allowed by their families to seek employment. Men in this part of Turkey tend to be very patriarchal. As a visiting businesswoman, emphasize your company's importance and your role in it. A personal introduction or at least a letter of support from a senior executive within your company may help a lot.

No matter where in the country, female business travelers should exercise caution and act professionally in business and social situations. Avoid being alone with Turkish men. Displaying confidence and some degree of assertiveness can be effective, but it is very important not to appear overly bold and aggressive.

Other Important Things to Know

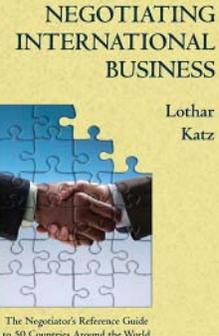
Impeccable appearance is very important when doing business here. Male business visitors should wear conservative suits with neckties on most occasions. Make sure shoes and suit are in excellent condition.

Business lunches and dinners are common and may be long. They are great opportunities to strengthen your relationships. Business may or may not get discussed. Wait to see whether your counterparts bring it up. Always keep in mind that Muslims eat no pork. It is best to avoid drinking alcohol since some Turks may take offense.

Social events do not require strict punctuality. While it is best to arrive at dinners close to the agreed time, being late to a party by 30 minutes or more is perfectly acceptable.

Turks are usually reserved about private topics. Do not inquire about family matters if your counterpart did not bring up the topic. Other topics to avoid are Turkey's relationship with Greece and the tensions over Cyprus, as well as issues around the country's minorities such as the Armenians or Kurds.

Gift giving in business settings is rare, at least as long as no strong relationship exists. It is best not to bring a gift to an initial meeting in order to avoid raising suspicions about your motives.

 <p>NEGOTIATING INTERNATIONAL BUSINESS</p> <p>Lothar Katz</p> <p>The Negotiator's Reference Guide to 50 Countries Around the World</p>	<p><i>Negotiating International Business</i> (Booksurge Publishing, second edition 2007) is available from Amazon.com and other bookstores for \$29.99. A reference guide covering 50 countries around the world, the 472-page book includes an extensive discussion of the negotiation principles and tactics frequently referred to in this excerpt.</p> <p>Please recommend this Country Section and others to colleagues who might find them useful. Country Sections are available individually at</p> <p>www.NegIntBiz.com</p>
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