

THE IMPORTANCE OF BONDING IN BUSINESS PROTOCOLS. A COMPARISON BETWEEN UNITED STATES AND CHILE

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ABSTRACT

This study is concerned with the way in which national culture, depicted by the work-values of an organization's members, influences the business protocols to the extent that they became appropriate and acceptable behaviors to business people from different cultures. Business protocols refer to the set of behaviors that are most salient in intercultural business interactions, specially in the first encounter between two cultures. Specifically this paper discusses the business protocols related to Bonding and Friendship. Different cultures place different values in the need for establishing and maintaining bonding with the clients for the success of the business relationship. Bonding relates to the boundaries that the culture establishes as appropriate when developing friendship with clients. The protocols of Bonding includes the following issues: gift exchange, establishing relationships, friendship, and loyalty.

This study combined semi-structured interviews with senior level managers of international banks and insurance companies with operations in both countries, and surveys with branch managers and insurance companies of the same firms.

The results from both qualitative and quantitative analysis confirmed the hypotheses that both countries place different values on the need for establishing and maintaining bonding with clients for the success of the business relationship. These conclusions have important marketing implications for both cultures when interacting during negotiation or sales transactions. Specifically concerning to protocols of Bonding there are important differences between these two cultures that may have delicate implications in business due to their differing views on relationships. American managers felt that it was important to develop relationships with their clients, but the relationships had defined and narrow boundaries. They avoided developing friendship as it was viewed as conducive to conflicts of interest and compromising business decisions. For Chilean managers, relationships fostered into friendship, Chile is a linked society, and it was important to become a link in the chain of relationships. It also personalized the interaction because Chileans liked to conduct business at a personal level, rather than a company level. In Chile, friendship carry obligations and responsibilities. One of the obligations is the ethical conduct that protects the relationships from either side. The responsibilities are working with the client during financial difficulties, even if it means amending the contract. For Chilean managers, this friendship is common sense of good business. For American managers, these responsibilities are cultural and ethically unacceptable. From these two very differing views, Chilean managers judged the Americans as cold, arrogant, and shallow in their friendship. For Americans, business relationships should be shallow, due to the defined and narrow boundaries that these relationships have.

These differences in the protocols of Bonding have very sensitive consequences not only during the negotiations, but especially when the business is developed and there is regular interaction between the seller and the buyer. The set of expectations and boundaries for both countries are completely different.