



SUCCESS ACROSS

Intercultural business stories:

Good Heavens: They come with Presents - Gift Giving as Communication

Unexpected gifts from business partners very often cause confusion and misunderstandings among German and non-German business partners, and especially with Asians. The most bewildering fact is that these gifts are often offered at the very beginning of an interaction, by people completely unknown to their German contacts. Germans and many other non-Asian nationalities are at a loss as to meaning of such behaviour and as to the response that is expected from them, just as in the following case.

It was the first contact between a Japanese delegation and a medium-sized German company in the field of machine tools. The idea was to explore opportunities for a possible strategic partnership.

The Japanese delegation was expected at nine o'clock at the entrance of the Head Office, and of course they were there on the dot – eight gentlemen in dark blue business suits, smiling friendly at their German hosts. It had been agreed beforehand that English was to be the language used, so no interpreter was needed.

The guests were led into the conference room. Cold soft drinks had been put on the table. Greetings and introductions were a bit awkward at first – the Germans tried to do something like a Japanese bow, while the Japanese offered a very very soft handshake. At last everybody was seated – the Japanese on one side of the table, the Germans on the other side.

All of a sudden, one of the Japanese got up and placed a nicely wrapped present before every German. The Germans were bewildered – what did the Japanese intend with this? And how could the Germans reciprocate the gifts? Mr. Melter, the CEO, whispered something to his secretary, upon which she immediately left the room. Later she said that she had been asked to go and find something “suitable” for each of the Japanese, not an easy task.

The Germans looked at their presents, somewhat uncertain what to do. Their interior monologue went along the following lines: “What do they want to achieve with this? Presents might be in order after successful talks, as a good-bye, but not at the very beginning! And do they want us to unwrap the parcels or rather not?” In Germany the gift-giver would have said something like “Don't you want to unwrap your presents to see what they are?” The Japanese, however, did not seem to insist. Instead, they began to talk at length about everything under the sun – at least that was Melter's and his colleagues' impression. It took quite some time to finally get down to business. Again and again Melter had to think about those presents and how to handle the situation.

Dear readers

What do you think the Japanese wanted to achieve with the presents? Was it an attempt at bribery? Do you think it is OK to come with presents at the very beginning, before you even get to know each other?

Background

Giving presents has been customary behaviour since time immemorial. It can be understood as a very complex form of communication. As a rule, a number of motives are present simultaneously, such as the establishment and maintenance of relationships, the stage-management of status, the recognition of power and the obligation to pay tribute. Even a religious sacrifice can be understood as a gift donated to a deity. An essential feature of gifts is that they must be of value to the giver as well as the recipient – something that has no value for the giver would not make a good present.

In cultures characterized by a strong sense of hierarchy, presents have to exactly mirror the relative status of the group members – the highest-ranking person has to receive the most valuable gift, and so on down the ladder. In such cultures, presents should be left unwrapped in public, because there is always the danger of a loss of face: The gift-giver might have misjudged the status of the recipient, which would result in a loss of face both for the gift-giver and the recipient.

In Asian cultures, such as China and Japan, the establishment of a reliable relationship between partners is a necessary precondition for business. One even hears statements like “You can only do business with friends”.

But how do you establish rapport and a relationship? One way of doing this is by giving presents.

The „Western“ business person will say: „But certainly not at the very beginning of an interaction. When I am the first to accept a present this will look like attempted bribery. I owe the other person a similar favour, and I am obliged to reciprocate. I lose my autonomy and find myself in an asymmetric relationship.”

But this is exactly the idea behind this type of gift exchange. The other person is obliged to re-establish symmetry by reciprocating with a similar gift or favour, thus initiating the dynamics of mutual obligations, which both parties can only leave behind at the price of considerable damage to themselves.

The consequences this has for intelligent gift-giving management in practical terms is, among other things, that one should make life easier for the other party by providing documents specifying the hierarchic positions of individuals, such as organigrammes or similar. The same goes for other behaviours driven by status. It is also good practice and highly useful to keep a list of gifts given, and also of the various preferences of recipients, as a sign of caring and attention to people.

It is of paramount importance to carefully monitor the value of the gifts given. In case you reciprocate with something out of proportion and too valuable, there is the danger of starting a deadly spiral of out-bidding each other. Quite regularly the result is a complete disruption of the business relationship. If, on the other hand, your present is too small, the impression you create is either that you are mean or that you take no real interest in the other person.

Suitable presents are ones that have a clear symbolical value, as for instance things typical of your company, your region or country, and indeed even beer steins or cuckoo clocks might occasionally make an appropriate gift.

If you want to learn more about Professor Jürgen Beneke as a trainer and consultant, please send an e-mail to [Nina Frauenfeld](#) or just call us: +49. (0)6221 – 7351371. We will be glad to hear from you!