

# Negotiating International Business - Nigeria

*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.*

The country's very pluralistic population includes more than 250 ethnic groups, most of which have their own language. The largest groups are the Yoruba (21 percent), Hausa (20 percent), Ibo (18 percent), Ijaw (10 percent), and Fulani (9 percent). Half of Nigeria's population is Muslims and 40 percent are Christians. People usually identify themselves much more with their ethnicity and religion than their nationality. The information given in this section represents general guidelines for the country but may not always apply in full.

Businesspeople and officials in Nigeria usually have only limited exposure to other cultures. When negotiating business here, realize that people may expect things to be done 'their way.'

## *Relationships and Respect*

Building lasting and trusting personal relationships is very important and can be crucial for your business success. People in this country usually want to do business only with those they know and like. Consequently, proceed with serious business discussions only after your counterparts have become very comfortable with you. This may include asking and answering many personal questions. Nigerians tend to distrust people who appear unwilling to spend the time or whose motives for relationship building are unclear. In addition, it may jeopardize relationships if you openly criticize someone, even in a one-on-one setting. Establishing productive business relationships is a slow process that requires a long-term perspective and commitment. As a reward, they may last forever.

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.

In Nigeria's business culture, the respect a person enjoys depends primarily on his or her status, rank, and education. Admired personal traits include flexibility and humility.

## *Communication*

More than 250 languages exist in Nigeria. While the official language is English, less than half of the population speaks it. Other languages that are spoken widely are Hausa, Yoruba, Ibo, and Fulani. When communicating in English, speak in short, simple sentences and avoid using jargon and slang.

Polite and cheerful greetings are highly valued in Nigeria and can be extensive. Conversations may get loud and passionate. However, interrupting others may be considered rude. Be careful not to read too much into it when people speak in a loud voice and look serious. It does not necessarily mean that they are angry. Nigerians usually show their emotions openly. However, never lose your temper or appear impatient. It is in your best interest to mask any negative feelings with a smile. 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 Nigeria can be direct and straightforward, especially among friends and close business partners. They may not find it difficult to say 'no' if they dislike a request or proposal. Early in the business relationship, people may communicate more indirectly, appearing vague and non-committal. If in doubt, watch for subtle messages that may signal issues and concerns. Silence may convey displeasure or even anger. Know that Nigerians may sometimes use English words opposite to their textbook meaning. For instance, they may call a lemon 'sweet' or a bad event 'wonderful.' This does not mean that they value sarcastic comments.

Nigerians frequently make physical contact. Men may hold hands while walking down the street, which is a sign of friendship and has no sexual connotation. However, never touch someone's head, not even that of a child. Body language and gestures may be extensive. Since Muslims consider the left hand unclean, use it only if inevitable. Eye contact should be made when initially meeting a person, but it is best to keep it infrequent thereafter, especially during meals.

### *Initial Contacts and Meetings*

Having a local contact can be an advantage but is usually not a necessary precondition to doing business in Nigeria. Negotiations in the country can be conducted by individuals or teams of negotiators. It is vital that teams be well aligned, with roles clearly assigned to each member. Changing a team member may require the relationship building process to start over and should therefore be avoided. Worst case, such a change can bring negotiations to a complete halt.

If possible, schedule meetings at least two to three 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, Nigerians generally expect foreign visitors to be punctual. Avoid being more than 10 to 15 minutes late. Displaying anger if you have to wait, even for a considerable length of time, will reflect very poorly on you.

Names are usually given in the order of first name, family name. Nigerians may use *Mr./Mrs./Miss* together with the first name or, if they are more 'westernized,' with the family name. If a person has a professional or academic title, make sure to use it. Again, it may sometimes be used in conjunction with the first name. Do not be surprised if you see a degree with 'failed' after it on a business card. The fact that someone even got to college is an achievement. Always use the title of *Chief* if it applies to the person. Before calling Nigerians by their first name, it is best to wait until they offer it. Introductions are accompanied by handshakes.

The exchange of business cards is an essential step when meeting someone for the first time, so bring more than you need. You may not always get one in return. Show advanced 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. Similarly, accept others' cards using only the right hand. Smile and make eye contact while doing so, then examine the card. Next, place the card on the table in front of you or into your card case.

Meetings start with small talk, which can be extensive. This may include inquiries about your health, family, and so on. Since family is important, asking questions about your counterpart's family yourself may be a good relationship building step. Some of the questions could be very personal. It is important to be patient and let the other side set the pace. Humor will be appreciated as long as it is not sarcastic or cynical. Generally, while Nigerians are often quite informal, it may be best to stay a bit on the formal side, at least during the initial meeting.

The primary purpose of the first meeting is to get to know each other. Business may be discussed, but do not try to hurry along with your agenda. Nigerian negotiators may try to convince you that

they have the background and experience required to be successful. Businesspeople may exaggerate their capabilities or make questionable promises in order to maintain foreign contacts.

Presentation materials should be attractive, with good and clear visuals. Use diagrams and pictures wherever feasible, cut down on words, and avoid complicated expressions.

## *Negotiation*

**Attitudes and Styles** - In Nigeria, the primary approach to negotiating is to employ distributive and contingency bargaining. While the buyer is in a superior position, both sides in a business deal own the responsibility to reach agreement. Nigerians expect to build long-term relationships, but rewards that lie in the far future rarely motivate them. Accordingly, they usually expect near-term benefits to result from their business engagements. The primary negotiation style is cooperative, but people may be unwilling to agree with compromises unless it is their only option to keep the negotiation from getting stuck. Win-win is not necessarily the preferred approach. Nigerians may be happy to get more out of a deal than you do. In fact, it can raise their status if they managed to trick you into accepting inferior terms and conditions. Nonetheless, never show anger or other negative emotions, and do not express any frustrations. This would only work against you.

Should a dispute arise at any stage of a negotiation, you might be able to reach resolution by leveraging personal relationships and showing willingness to compromise.

**Sharing of Information** – Nigerians may believe in information sharing as a way to build trust. Negotiations can become very difficult if one side appears to be hiding information from the other. However, your counterparts will frequently exaggerate, so take everything you hear with a grain of salt.

In addition, beware of the many kinds of frauds found in the country. It is strongly advisable to check your counterpart's background carefully and to verify all information you may receive.

**Pace of Negotiation** – Expect negotiations to be slow and protracted. Relationship building, information gathering, bargaining, and decision making all take considerable time. You will likely need to make several trips to achieve your objectives. Throughout the negotiation, be patient, control your emotions, and accept that delays and changes occur.

Most Nigerians prefer a strongly 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.

**Bargaining** – Most Nigerians love bargaining and haggling. They expect to do a lot of it during a negotiation and may be offended if you refuse to play along. The bargaining stage of a negotiation can be extensive. Prices often move more than 50 percent between initial offers and final agreement. Leave yourself sufficient room for concessions at different stages. Ask the other side to reciprocate if you made one. 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 Nigerian side reciprocate in areas that had already been agreed upon.

Deceptive techniques are frequent and Nigerian negotiators may expect you to use them as well. This includes tactics such as sending fake non-verbal messages, initially pretending to be disinterested in the whole deal or in single concessions, misrepresenting an item's value, or making false demands and concessions. 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. Nigerians may occasionally use 'good cop, bad cop,' and it can be hard to see through the tactic. They may also claim limited authority, stating that they have to ask for their manager's approval. In that case, find a way to involve the manager in the negotiation since it will be important to deal with the decision maker.

Negotiators in the country may use pressure techniques that include showing intransigence, making final offers, or nibbling. Final offers may come more than once and are rarely final. Do not use tactics such as opening with your best offer, applying time pressure or making expiring offers, since Nigerians could view these as signs that you are not willing to build a long-term relationship. Silence is rarely used as a tactic, but it may be effective to employ it yourself.

Nigerian negotiators avoid most aggressive or adversarial techniques since they may overly affect the relationship. The risk of using any of them yourself is rarely worth the potential gain. As an exception, extreme openings are frequently employed as a way to start the bargaining process.

As in most relationship-oriented cultures, negotiators may sometimes use emotional techniques such as attitudinal bargaining, attempting to make you feel guilty, grimacing, or appealing to personal relationships. At times, defensive tactics such as blocking, distracting or changing the subject, asking probing or very direct questions, or making promises may also be used.

Corruption and bribery are very common in Nigeria'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. TIPS ('To Insure Prompt Service'), or *dash*, as it is called in Nigeria, is an integral part of the culture. Tips are often collected before receiving a service. This is sometimes the case in business, too. Lastly, keep in mind that there is a fine line between giving gifts and bribing. What you may consider a bribe, a Nigerian may view as only a nice gift.

**Decision Making** – Companies are often very hierarchical, and people expect to work within clearly established lines of authority. Decision makers are usually senior executives who consider the best interest of the group or organization. They rarely delegate their authority to lower levels in the hierarchy, but others are often consulted in order to reach greater consensus over and support of the decision. This process can take a long time and requires much patience. Nigerians usually indicate it if they are not interested in doing business.

When making decisions, businesspeople may not rely much on rules or laws. They usually consider the specific situation rather than applying universal principles. Personal feelings and experiences may weigh much more strongly than empirical evidence and other objective facts do. Nigerians are generally risk takers and may not shy away from making bold and seemingly irrational moves.

### *Agreements and Contracts*

Capturing and exchanging written understandings after meetings and at key negotiation stages is useful. Oral commitments may sound stronger than what your Nigerian counterparts may be willing to put in writing. However, these documents are not final agreements. Any part of an agreement may still change significantly before both parties sign the final contract. It is essential to reconfirm agreements often in order to verify understanding and commitment.

Written contracts may be created in a wide range of styles, from high-level to very detailed. Signing one is often only a formality. Nigerians believe that the primary strength of an agreement lies in the partners' commitment rather than in its written documentation.

Your legal rights are rarely enforceable. However, it is still best to consult a local legal expert before signing a contract. Do not bring an attorney to the negotiation table, though, since this may be taken as a sign that you do not trust your counterparts.

Contracts alone are not dependable and their terms may sometimes not be kept at all. Your best chance to ensure that your partners follow through on their commitments is to stay in regular contact and nurture the relationship throughout your business engagement. Business partners are expected to remain flexible if conditions change, which may include agreeing to modify some contract terms.

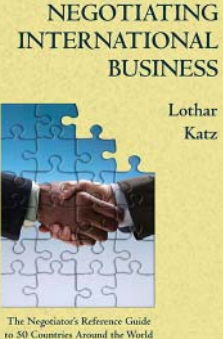
### ***Women in Business***

Women mostly enjoy the same rights as men and are treated almost the same at work, although many Nigerian women are still struggling to attain positions of similar income and authority. A visiting businesswoman should act professionally in business and social situations. In addition, she should be careful regarding her safety, avoiding to be alone in unknown environments.

### ***Other Important Things to Know***

Foreign visitors may be invited to special events that serve primarily to signify the importance of the host. Elaborate preparations may be made with chairs of honor being placed in the center of the room for guests to sit on. Make sure to go to great lengths to acknowledge such efforts.

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 15 to 30 minutes or more is perfectly acceptable.

 <p>NEGOTIATING INTERNATIONAL BUSINESS</p> <p>Lothar Katz</p> <p>The Negotiator's Reference Guide to 50 Countries Around the World</p>	<p><b><i>Negotiating International Business</i></b> (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><a href="http://www.NegIntBiz.com">www.NegIntBiz.com</a></p>
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