

NEGOTIATING IN CROSS-CULTURAL CONTEXTS

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Abstract: *Accentuated by globalization, the overlapping and the dissemination of values, beliefs and perceptions pertaining to different cultures have reached an unprecedented level, phenomenon which, with the contribution of new technologies and the international media, led to the creation of a new global culture. The constant movement of large masses of people with different personal goals has brought into contact individuals coming from various cultures, who found themselves in the position of trying to understand, filter and harmonize new cultural practices as well as developing skills for coping with them; due to widespread businesses spanning national borders, negotiation practitioners frequently encounter business opponents from unfamiliar cultures and resort to strategies and tactics meant to cross cultural boundaries and the obstacles of the business context. The paper is an overview of concepts and findings regarding the origin of the global culture as cultural co-existence in the international space, with an emphasis on the concepts of cross-cultural communication and cross-cultural competence, cultural variables and their impact on cross-cultural negotiations.*

Keywords: cross-cultural communication, cross-cultural competence, cultural variables, cross-cultural negotiation

1. Cross - cultural communication competence in negotiations

The world, a smaller and more familiar place, was defined as a global village, where there is no time or space [1]. The emergence of a global culture at the end of the 20th century was fostered by the precipitation of the technical and scientific progress on a large scale.

Although the concept of globalization is widespread and generally accepted, in understanding this phenomenon two opposite tendencies should be considered: homogenization vs. heterogenization. The former claims that the economic dominance of a group of countries determined the formation of an international culture or, in other words, a cultural imperialism. Within this frame, only some cultures found their place and are deemed as compounds and legitimate representatives of the international culture.

However, a counterargument to homogenization underlines the fact that states have the role to transmit global messages through local perspectives. In other words, the products generated by the global media are received and passed through local filters. Far from eroding local cultures, the global culture is the balance of collective and individual, different and similar characteristics [2].

In the globalization context, doing business abroad, using sources and hiring force work from another country will result, sooner or later, in cross cultural communication between professionals. The abilities of a good negotiator in international contexts go beyond professional and linguistic competence. In other words, in international negotiations, not only the professional expertise is involved, but also other skills

and competences, such as, at a lower level, understanding the language of the other sides and, at a higher level, understanding the cultures of the participants in communication.

Cross-cultural competence has been defined in many ways, but, in essence, it is related to how successfully an individual interacts when communicating with people from other cultures. Cross-cultural competence resides in the negotiator's ability to adapt to the specific communication style of the other side. The effective functioning of the sides in an international negotiation corresponds to the requirements for any successful cross-cultural communication: that is, acting in a way convergent with the purposes and expectations of the other side, as well as with the personal ones [3]. According to Samovar and Porter, "Intercultural communication entails the investigation of culture and the difficulties of communicating across cultural boundaries. (...)

Intercultural communication occurs whenever a message produced in one culture must be processed in another culture" [4]. Failure to anticipate, understand and effectively remove cultural obstacles can lead to the failure of cross-cultural communication sequences.

Cross-cultural communication can be understood through the same basic variables and processes used to describe other forms of communication, as all communication occurs between people who are more or less familiar with each other. Cross-cultural competence is not in-born: it can be acquired through a complex learning process which entails theoretical concepts about communication in cross-cultural contexts, observation of personal experiences, understanding through reflection with the purpose of explaining differences and similarities between the target culture and the negotiator's culture.

It can be considered that there are four actions at the core of cultural competence, organized from the theoretical

understanding to the practical application of the concepts that form the profile of a culturally competent person: recognition, respect, reconciliation and realization [5]. Recognition is based on the observation and understanding of the concept of culture, on practising the ability to perceive your own culture from a different cultural perspective. The effect of this cultural change leads to the recognition and acceptance that there are several cultures, beyond hierarchies and rankings. The recognition of differences between co-existing cultures is inherent to feeling respect towards other cultures and a source of positive attitudes, behaviours and cognitive approaches. Implementing reconciliation between cultures helps deal effectively with cross-cultural differences. Cross-cultural communication is possible when cultural differences are reconciled through negotiation and mutual problem-solving effort.

Generally speaking, literature defines negotiations mostly as interactions between individuals or groups of people with the purpose of reaching an agreement. Nevertheless, when negotiations are international, there are other variables, such as the cultural ones that intervene besides professional knowledge, psychological and communication issues. Negotiators in cross-cultural contexts are considered to be efficient when they reach their professional goals; when they can achieve this without violating any of the constraints imposed by specific rules of the two cultures in dialogue, they are also appropriate. Research in the field pointed out that the four communication styles (and also the quality of negotiations as communication) are determined by appropriateness and efficiency: minimizing communication (-appropriateness, -efficiency), sufficing communication (+appropriateness, -efficiency), maximizing communication (-appropriateness, +efficiency), and optimum communication (+appropriateness, +efficiency). It is obvious that the quality of negotiations increases with the negotiators'

conformity to the two standards [6].

Ideally, when two sides meet in a negotiation process, the two cultural backgrounds melt into each other to form a new cultural territory, a “no man’s land”- which belongs to neither of the two negotiating sides. This background can be described as a neutral one, where a new common culture is born, which encompasses continuously overlapping and separating cultural layers and where neither of the sides is subject to fix cultural rules. The explanation for the ambiguous and complicated character of international negotiations is that, in this given context, the two sides cannot totally comply with the target culture or act only according to their own culture [7]. The harmonization of the negotiators’ behaviours (verbal and nonverbal actions) is more difficult when it occurs as an interface between different cultures than when it takes place within the same one. Rather than attempting to apply the local rule, the suggested compromise is the achievement of the co-existence of the target and personal cultural norms through the assimilation of as many as possible of the former.

The concept itself and how well a neutral culture and cultural identity can work are questionable, in light of recent social and ethnic crisis. The transition from a culture to another is neither smooth nor certain. For instance, according to a Eurobarometer survey, 53% of the European citizens indicated that “there is no common European culture because European countries are too different from one another” [8].

The recognition of cultural differences in negotiations should be followed by planning, adaptation and application of accurate interaction strategies in order to transcend cultural obstacles.

2. Cultural variables and their impact on negotiations

A negotiation is cross-cultural “when the parties involved belong to different cultures and therefore do not share the same ways of

thinking, feeling and behaving” [9]. Cultural differences influence this complex process to the point where a negotiation can fail or be successful depending on the sides’ theoretical and practical knowledge about the opponent’s culture. Ethnic origins are reflected in different ways of speaking, feeling, and in different negotiation styles.

The process of understanding the opponent’s culture resembles to that of peeling an onion. The external layer corresponds to the other side’s words and actions and is the first to be perceived. The next layer represents the attitudes of the negotiator towards specific events (e.g. attitudes related to time, such as punctuality and to formats - format of the presentation), attitudes derived from the norms of the culture the negotiator belongs to. The core represents the values, such as beliefs that a certain social conduct is preferable to another [10].

Cultural interpretations of reality depend on subjective perceptions of the world around, which are then organized in cultural patterns of beliefs, attitudes, and values. Several theoretical models have been suggested by sociologists and anthropologists to structure parameters of cultural variations. The theoretical models regarding cultural variables are applied on large scales in international businesses, negotiations, and in all other circumstances where cultural sensitivity is required. Cross-cultural communication is affected by cultural variables in all its dimensions (verbal, non-verbal, and the body of rules applicable internationally). Delays, conflict and frustration can be avoided if the negotiators place the business opponent in the correct cultural context and take into consideration the corresponding values and norms. Negotiators should develop nuanced negotiations, accentuating the pre-negotiation activities or the negotiation process itself, depending on the negotiators’ style, expectations, values or, ultimately, on their cultural preferences.

Like stereotypes, theories of cultural

variables draw on generalizations and present limitations as they reduce complex systems to labels. Since other contextual variables always interfere in negotiations: time, setting, individual characteristics of the context, and personal characteristics of the negotiators, the application of the systems is very approximate. It can be observed that cultural variables reflect a relativistic point of view, as a culture can occupy different positions on a cultural variable continuum, when contrasted to other cultures. For instance, cultures are only relatively high or low context, individualistic or collectivistic, depending on the cultures they are contrasted to. Also, as most of the theoretical models of cultural variations are based on Western concepts, they don't always render correctly the Oriental approaches to the same concepts. For instance, the importance attached to the concept of seniority is interpreted differently in Western and in Oriental cultures.

Hofstede identified five parameters of cultural variation which render major differences between cultures. Power distance characterizes cultures where power is distributed unequally, but this fact is endorsed by both followers and leaders. Individualistic cultures, based on individuals who live independently, maintain loose relationships with the others and try to express themselves through personal achievements are contrasted with collectivistic cultures based on cohesive groups. Self-centred negotiators from individualistic cultures make decisions unilaterally and work individually better than in teams. Negotiators from collective cultures work in teams, comply with rules and avoid conflicts focusing their efforts on a mutually advantageous situation. Masculinity and its opposite, femininity refers to the role played by genders in the respective culture. The most frequent traits used to define the two roles are the pairs assertiveness/modesty and competitiveness/caring. Uncertainty

avoidance reveals to what extent a society can tolerate an ambiguous situation. Individuals from intolerant cultures avoid or try to minimize situations which are different from what they consider as normality and thus, a source of anxiety, while risk-taking cultures accept new and surprising situations, are comfortable with lack of rules, more pragmatic and less emotion-driven. The fifth cultural variable is long-term orientation (orientation towards the future) vs. short-term orientation (orientation towards the past and the present). It differentiates societies and cultures according to their values, such as respect for traditions and social responsibilities with short-term oriented cultures or perseverance and pragmatic values with long-term oriented ones [11].

Hall's cultural variables system refers mostly to high-context cultures vs. low-context cultures, polychronic cultures vs. monochronic cultures and to cultural differences in the perception of space. In high context cultures, messages are implicit and only partially verbalized, part of them being inferred from cultural norms. High-context cultures are also associated with countries where the community is valued over the individual, tradition is respected and individuals can tolerate only for minor changes; low-context cultures express themselves through direct and complex messages [12]. The way individuals relate to the concept of space and territory has cultural roots: high territoriality correlates with a strong sense of ownership and need for security, being convergent with low-context countries. Low-territory cultures are less interested in establishing boundaries and are convergent with high-context countries [13]. Hall uses the terms *polychronic* and *monochronic* to describe two different perspectives on time: one which allows individuals to simultaneously focus on several actions, as if time were flexible, and one which accepts only a rigid sequential flow of time [14].

According to Cohen, there are various ways

in which cultural variables influence negotiations with respect to four conventional stages: preparation, beginning, middle, and end. High-context cultures put a special emphasis on the preparatory stage by attempting to build personal relationships with the other side. They also adopt a long-term orientation and try to maintain the relationships beyond the negotiation, after the agreement is reached. Low-context cultures separate personal life and relationships from work relationships and focus on the current issue in the agenda. A correct approach of the introductory stage is also important as, before the negotiation itself, the sides state their position and present the negotiators' status and hierarchy. For-low context cultures, the opening is a direct stating of position, while for high-context culture it is a symmetrical intervention of the sides expressing their points of view. Low-context cultures are less interested in maintaining reputation and expect a confrontational, aggressive tone of negotiations; they are not adverse to unexpected situations and assume that taking risks will be necessary in the process of negotiations. High-context cultures try to reduce or prevent misunderstandings, confrontations and new circumstances, as reputation is highly valued and they might lead to face loss.

The modes of persuasion in the middle of the negotiation differ so that low-context cultures favour an inductive mode, while high context cultures prefer a deductive one. The interaction is also different: direct, explicit, openly aggressive, based on facts and arguments with low-context cultures and implicit, indirect, focused on maintaining harmony within the group with high-context cultures. As harmony is so much valued in high-context cultures, agreements are sometimes informal and useless, not having any legal legitimacy. In the middle stage of the negotiation process, with collectivist cultures (usually associated from the point of view of power access with a great distance between the centre and

individuals), the centralized authority makes all decisions, while with individualistic societies, most of the decisions are made by consensus [15].

According to Simintiras and Thomas, the negotiation process is influenced by cultures during both the interactional pre-negotiation stage, or "non-task related interaction" and the negotiation process itself, called "task-related interaction". The pre-negotiation stage covers the negotiators' face-to-face encounter before the exchange of information begins, and it is affected by the importance attached by cultures to status distinction, perception of similarities and differences between negotiators and the attraction/lack of attraction between them. The importance given to status distinction varies considerably among cultures (e.g. cultures with a vertical system of interpersonal relations and cultures with a horizontal one) and has an impact on the way the negotiator verbalize the messages and choose certain words depending on the respect shown to the other side. The perceptions formed before the negotiations are the basis from which other qualities may be derived and a possible opening for positive relationships. When there are many cultural similarities between negotiators, the probability of forming an accurate impression is very high. In the same line, the higher the level of similar personality and communication characteristics of negotiators originating in different cultures, the higher the interpersonal attraction and chances for a successful negotiation.

During the task-related interaction, the possibility that negotiators might belong to low-context cultures or high-context ones may influence the using of an instrumental bargaining strategy (a confrontational attitude), or a representational bargaining strategy (cooperation in trying to solve a problem). The authors point out that when negotiators belong to different cultures and perceive a high level of individual dissimilarities, they are likely to choose instrumental strategies [16].

As for the final stage, in negotiations this involves reaching an agreement. In low-context cultures, the contracts are an explicit message and tend to stipulate in detail all the possible changes of the business agreed on, while in high-context cultures (such as China), the contract can take the form of a gentlemen's agreement, emphasizing that the main purpose is not the deal itself but the building of a relationship and, in case unexpected changes might occur, the quality of the relationship would be important in finding solutions to cope with them [17].

3. Conclusions

Cultural diversity affects negotiations in many ways, beginning with the preparation for the negotiation or the preliminary stage, the negotiation process itself and the outcome. The way in which members of a

company choose to behave in different business circumstances is deeply rooted in and has cultural underlying reasons. Effective negotiations are conditioned by the negotiators' attempt of trying to understand the other side's cultural context, with all the values, attitudes, beliefs and perceptions it involves. Professional success is largely dependent on cultural intelligence or knowledge about similarities and differences between cultural norms, and personal interest and motivation in knowing other cultures and acting effectively in this respect by choosing the best way to bridge culturally diverse contexts. Managing differences appropriately to minimize them will bring representatives of different cultures closer together to a point where the goal of the communication sequence can be attained [17].

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