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## Negotiation Across Cultural Differences

Negotiation is a challenging process because of the complexities that arise from different arguments, but also a crucial skill for managers, especially in a cross-cultural business context. Three main challenges of cross-cultural negotiations are: the individual's effectiveness in communication, the process of negotiation across cultures, and the medium used in negotiations.

First, coming to an agreement can be challenging when dealing with the subtle differences in communication and disagreement methods across cultures. For example, Japanese culture is known to be emotionally unexpressive and avoiding confrontation. In business negotiations, the indirect ways of communication Japanese negotiators express disapproval often led foreign businessmen to believe that their proposals were still under consideration when in fact the Japanese had rejected them. When there is a confrontation between negotiators, friction is created<sup>2</sup>; feelings of frustration can arise from a French negotiator who is direct and emotionally expressive when faced with a Chinese who avoids direct confrontation, listens more, and values harmony and relationship. Without cross-cultural intelligence, the French negotiator could be seen as ignorant or even disrespectful.

Second, how people come to an agreement in negotiations vary greatly across cultures, and this is partially due to the different decision-making styles. "In a consensual culture, the decision making may take quite a long time, since everyone is consulted. By contrast, in a top-down culture, the decision-making responsibility is invested in an individual".<sup>1</sup> Managers part of a consensual culture such as China would tend to discuss on the negotiation table and slowly go through the contract. American managers, on the other hand, would use a quick and concise approach to negotiation. In addition, the negotiating attitude is a factor that influences how cultures approach negotiations. Chinese companies see negotiations as a win-win and some other see them as a win-lose situation, thus as confrontational.

This contrast ties directly with the differences in the meaning of coming to an agreement; top-down cultures tend to prefer detailed contracts with no ambiguity, whereas Chinese culture base themselves on the relationship and leaves room for changes on the contract.

Third, though negotiations are more effective in person, there is an increasing trend of negotiations taking place over e-mail, where it is incredible hard to maintain the negotiation dynamic, pick up any cues, and use the traditional ways of doing negotiations in person such as body language, tone of voice, and visual expressions. Brake suggests that the main challenges involved in virtual communication include the lack of context, frequency of dialogue and insight.

One personal experience at work with a creative agency who tried to negotiate contract terms for a project I was responsible for via e-mail made me realize that it was hard for them due to lack of context and insights. Brake explains that for simple collaborations such as exchange of reports and instructions, e-mail is a good way to communication.<sup>8</sup> However, this was more of a complex collaboration, and a negotiation process for them. Therefore, the negotiation process was complex and needed rational decision-making, thus the best way was to meet face-to-face to eliminate most technological barriers.

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