International Communication and Negotiation

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(continued)

No business transaction can be carried out without communication. International management involves communicating over national borders and dealing with cultural differences. To communicate, we use language, signs, and symbols, all determined by culture. In this chapter, we learn that effective international communication requires an understanding of cultural influences. We will learn about cultural differences in verbal and nonverbal communication. Finally, we conclude the chapter with a discussion of cultural differences in international negotiation.[1]

Overview

Chapter Vignette

Moda Esphenaaj was an Asian student on a training assignment with a large bank in New York. The bank had extensive business in Moda's home country. Bob Balladur had volunteered to become Moda's mentor and was assisting him during his stay in New York.

It was his second month of stay in New York City when Moda asked Bob, "Why do people sell their garages? Are parking spaces for cars at a premium in New York?"

Of course, Bob answered "yes" to the second question, on parking spaces. On many occasions, Bob and Moda had searched in frustration for a spot to park his black Saab. Surely, Moda by now should have noticed New York's parking problem. However, he could not understand what Moda was getting at with the first question. When he asked, Moda's response sent him into roaring, hearty laughter. Moda had seen many signs for "garage sales" and thought that people were selling their garages separately. When Bob explained the meaning of those signs, Moda's face turned red with embarrassment. Being a sensitive man, Bob shared his own experience of many years ago, which was not only embarrassing but also very costly.

The story went like this. Bob was working in an American bank in Paris as a senior manager in charge of "les cambistes," as the fast-and-furious foreign exchange traders are called. One day, a currency exchange trader from the Bourse (the word for "stock and currency market" in French) called to say that the US dollar was sinking fast. Bob yelled a profanity and slammed down the phone so hard that it broke into two pieces. A few seconds later, the trader called him on another phone and dutifully reported the purchase of a large block of US dollars. "You did what?" Bob angrily inquired. To which the protesting trader answered, "But you said

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[1] The second part of Bob's story is adopted from Ref. [1].

'achet'"—the French word meaning "buy." That afternoon, Bob walked into his boss's office and said, "I've got a funny story to tell you, but it will cost you a quarter of a million dollars to hear it."

Moda could not wait for Bob to finish his story. Before he reached the end, both men were laughing loudly, and Bob was relieved.

Introduction

During the course of a day, we are judged by the effectiveness of our communication. We are appraised by the way we speak, by our accents or dialects, by our body language, by the way we listen, and even by the way we read and write. Communication is a skill that has to be learned and sharpened. As the world constantly changes, we must continue to improve our communication skills. Do you spend most of your time listening, speaking, or writing?

When people get together, communication is inevitable. It is impossible not to communicate in the presence of other people. However, it is guaranteed that the communication taking place is not always accurate, nor does it reflect the intention of the participants. Everything we do, every inadvertent move we make, even our silences are perceived and interpreted by other people. Sometimes, we send erroneous messages by the manner of our dress or tone of our voice or simply by the condition of our bodies. We may, for example, mistake someone as a successful financial consultant if he or she dresses in a conservative style, carries a leather briefcase, and reads a financial newspaper. However, if the person responds to a finance quiz with a far-fetched answer, it is obvious that we have made a mistake and the person just fits the stereotypic image of a financial consultant.

When managers and workers understand the company's mission and objectives, the organization is more likely to achieve its goals. Communication among organizational members is essential for task accomplishment. Members have to communicate in order to receive and send information. To work in a team, send a message, give an order, assist a coworker, report a task accomplishment, negotiate a business transaction, or do any of the myriad business activities in a typical day, we need to communicate.

As an organization becomes more complex, it becomes even more important for it to have an effective communication system. Because all business activities involve communication and because international management is more complex than domestic business, effective communication is crucial to the success of an international operation. To deal with customers, suppliers, government agencies, and a host of other organizations, it is necessary to communicate across national borders. To manage internationally, effective communication is imperative.

Micro and Macro International Communication

International communication can be viewed from two different perspectives, the micro and macro levels. The micro level involves communication and information flow between the directors of the firm, its employees, and its external constituencies.

At the micro level, intrafirm, interpersonal, and intercultural communication are connected to one another. Of course, multinational companies (MNCs) are more concerned with the communication issues at the micro level.

The macro level deals with the problems and opportunities that arise from the flow of information and communication between countries. At this level, international information is exchanged through mass media, telecommunications, and high-technology transfer, which could have far-reaching political, economic, social, and cultural consequences on nations. The macro-level issues of international communication and information dissemination may potentially be the source of future difficulties.

According to Mowlana [2], the macro level of international communication can be viewed from four different perspectives (pp. 180–182):

1. The idealistic-humanistic approach views international communication as a way to bring nations and people together. International communication is considered a source of power that international organizations (e.g., the United Nations) can use to serve the world community. Effective international communication can increase understanding among nations and peoples and improve conditions that are conducive to world peace. The first approach is idealistic and assumes the objective transfer of information and values—an impossible feat. It also assumes a universally accepted view of international order and peace.
2. The political proselytization approach considers international communication as a medium of propaganda and advertising. It is claimed that the political proselytization approach is used by industrialized countries to manipulate the people of the Third World. This has created distrust of the international media and has fueled intolerance and hatred among people and nations.
3. The economic power approach is an increasingly popular view that considers international communication the source of economic power. Weaker nations are dominated by industrialized countries through international business activities that result in technology transfer and "modernization." Developing countries become amenable to being controlled by Western powers once they have adopted the ways of Western industrialized nations. Countries that convert to Western ways may lose their cultural identity and indigenous creative power.
4. International communication may also be viewed as the source of political power. Countries communicate through mass media, literature, films, and data transmission. Increased communication among countries can potentially increase understanding among nations and peoples and improve conditions that are conducive to world peace. International communication through media, films, and so on conveys the cultural content associated with the source too. This, however, may not always be in the best interests of the recipient country. It may lead to cultural domination. The economic and political views have equated international communication with other commodities to be traded and used for manipulation and domination.

All four approaches have been criticized. An integrative view of international communication is more realistic. The integrative view considers international

communication encompassing elements of the four approaches and can offer a more practical venue for addressing major cross-cultural and international concerns. Seen from this perspective, a major concern is a widening gap between developed and developing countries' capacity to deal with international communication and information management. While many people in developing countries are waiting for their first telephone, for example, the residents of the developed world are using the Internet to send and receive all sorts of information regardless of their location.

The world is becoming smaller due to the accelerating rate of technological development. This, in turn, creates interdependencies among nations, resulting in more communication and interaction among them. In this global village, communication technologies (e.g., World Wide Web, social media (such as Facebook), and Skype) are instruments that can be used or misused [3]. "Since information is a resource that can be converted into all kinds of power, there is intense competition and conflict over how information is produced and used" [2, p. 207].

Developing countries contend that the international flow of information and communication heavily favors the developed countries. They assert that the existing pattern of international communication is creating a dependent relationship similar to business and trade dependency. This means that developed countries are the source and supplier of information and developing countries are the naive consumers. The values, traditions, and cultures of developing countries are slowly and steadily being lost and are being replaced by those of developed countries. As Mowlana [2] puts it, "The nature, pattern, and direction of the world economy more or less parallel and depict the directionality of the world information flow" (p. 198). McPhail [4] argues that the pattern of information flow between developed and developing countries fosters "electronic colonialism":

> The dependency relationship [is] established by the importation of communication hardware, foreign-produced software, along with engineers, technicians, and related information protocols, that vicariously establish a set of foreign norms, values and expectations which, in varying degrees, may alter the domestic cultures and socialization processes. (p. 18)

Even if we consider the concerns of developing countries as exaggerated and paranoid, we cannot ignore the fact that the gap in information and communication technology may increase the vulnerability of these countries. Often, there is more information available, for example, about a developing nation in centers that study these countries than in the developing country itself. "When others know more about you than you know yourself, their power to dominate is enhanced significantly" [4, p. 56].

An international manager must cultivate an appreciation of these views and a familiarity with the concerns of the host nationals. A better understanding of these issues will foster more productive relationships. Sensitivity and empathy with the people of host countries will create a friendlier atmosphere in which to conduct international business transactions.

We next consider the various aspects of cross-cultural communication.

The Classic Communication Model

Communication comes from the Latin word *communis*, meaning "common." When we attempt to communicate with another person, we seek to establish "commonness" by sharing information, knowledge, ideas, or attitudes. Communication is a two-way process and takes place when a person transmits ideas, knowledge, meanings, and feelings to others.

A typical process of communication involves the sender (source) of communication, the receiver (target) of communication, and the feedback loop. A medium, such as a telephone, computer, letter, or face-to-face position, is used to send a message to the target. Communication can take place only if the sender's message falls within the receiver's realm of understanding and knowledge. The commonality in language, experience, knowledge, and culture provides a framework for communication between people. Cultural differences, language diversity, and differences in experience and knowledge create barriers to communication. If the receiver of a message, due to any of these differences, is unable to decode the message and comprehend it, the message will not reach its destination. The three components of the communication process are origination, destination, and feedback.

Origination

As Fig. 4.1 depicts, any communication process has three major segments, the origination, the destination, and the feedback loop. The origination segment consists of the sender and his or her field of experience, which includes attitudes, experience, knowledge, environment, sociocultural background [5], and values that differentiate him or her from others. Also, the origination segment includes the meaning and the information the sender intends to share. The sender "encodes" the meaning of the message into signs, symbols, and words that the receiver can understand. The sender ensures the accuracy of the information transmitted by composing the message in
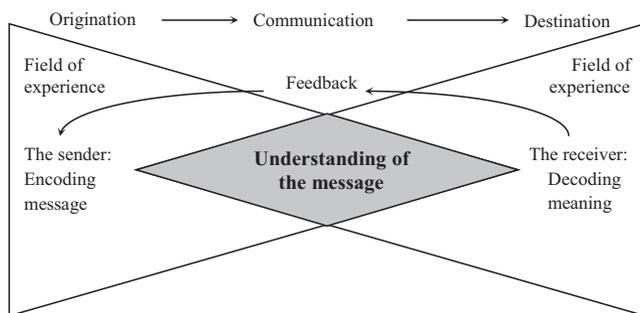

Fig. 4.1 Classic communication model

his or her mind and organizing it in a logical sequence. In doing so and in "encoding" the meaning into an understandable form, a message is created. After encoding the message, the sender channels the message to the receiver.

Destination

The destination segment consists of the receiver, decoding, and the meaning of the message. After receiving the message, the receiver attempts to decipher the meaning of the words, symbols, and nonverbal signals such as the hand gestures and tone of voice. Listening to the composition of words, the manner of presentation, and other signs and signals used in communication, the receivers use their field of experience to interpret the message. They may encounter some "noise," elements that can cause distortion, in the form of confusion and misunderstanding of the message. Many potential sources of noise exist when communicating across cultures. We will consider several of them subsequently.

Noise (Distortion)

Confusion can result when the sender and the receiver have not had the same common experiences. The field of experience is used as a frame of reference to interpret what people encounter in their daily activities. When the sender and the receiver have similar fields of experience, they have much the same frames of reference. Therefore, the information exchanged between them is usually not distorted very much. As Wilbur Schramm [5] described it:

> The greater the overlap of the source and the receiver's fields of experience, the greater the probability of successful communication. In other words, they have things in common that facilitate better communication. An individual engaging in communication with another person of a significantly different background should be aware that greater effort may be needed to ensure successful communication. (p. 6)

The commonality of fields of experience between the origin and the destination reduces noise and increases the fidelity of communication. Even in a domestic situation, for example, the sender of the message may be a manager who uses technical computer jargon. If the receiver is a new salesperson in the company, he or she may not have much experience with the technical language and may receive limited information from the manager. Consequently, the lack of enough commonality between the sender and the receiver results in some noise, which in turn causes the receiver to not understand the message.

There might be other reasons for communication noise. The receiver of the message may not pay close attention to the message. He or she might be a new recruit, nervous, and anxious to impress the supervisor. In this case, too, the message is distorted and is not the same as the original.

Cultural differences are the major source of communication distortion. Communication difficulties arise from cultural differences because of the lack of commonality of values, beliefs, and norms between people of two cultures. Sometimes, in cross-cultural communication, these differences could lead to misunderstandings and cause serious problems. An example of a serious cross-cultural communication misunderstanding happened years ago at Ain Shams University in Cairo, Egypt.

In the midst of a discussion of a poem, a British professor, explaining the subtleties of the poem to a sophomore class in Cairo, Egypt, was carried away by the situation. He relaxed back in his chair, put his feet on the top of the desk, and continued with his talk. The class felt insulted and became furious, and afterward, the entire student body demonstrated in front of the English Department. The incident even made the headlines of the local newspapers. To a stranger, this innocent act might seem ridiculous, baffling, incredible, incomprehensible, and even funny. But to the natives, the students' behavior was logical and in its context made sense. The indignant students and their supporters were outraged and felt offended because in the Middle East and in some Asian countries, it is extremely insulting to have to sit facing the soles of the shoes of another person.

Misunderstanding can happen even when people from different cultures communicate in the same language [6]. While the language is the same, the choice of words and the way of expressing the thoughts are not. German and Dutch negotiators, for example, will choose their words carefully to be exact and unambiguous. They want the other side to know precisely what is being discussed. Indonesians, Japanese, and Middle Easterners choose their words even more carefully, but for a different reason. They are concerned not to offend anyone. They try their best not to use any blunt words or negative remarks or directly reject and embarrass others. In these cultures, directness and frankness are equated at best with immaturity and naiveté and at worst with arrogance. To them, only children speak out what is on their minds and say exactly what they mean [7, p. 40].

Feedback

Feedback is a loop connecting the destination segment to the origination segment, providing information about the message to both the sender and the receiver. Through feedback, the receiver sends information back to the sender describing the results of the communication. Without feedback, the sender would not know whether the message has been received or understood. In short, feedback is a response and control mechanism in the communication process. For feedback to be an effective control, however, it must be given by the receiver and must be understood by the sender. The differences in the giving and understanding of feedback can further complicate communication in cross-cultural settings. For example, in a communication between a Japanese and an American, when the Japanese, who

desires harmony and wants to save face, politely avoids publicly contradicting the American, the American may take this feedback at its face value. In this case, the feedback has not served its purpose.

International Verbal Communication

Like their domestic counterparts, international managers use verbal communication more than other media. What makes verbal communication different for international managers is the use of foreign languages. Often, when discussing the communication process, the assumption is that the sender and receiver are using a common language that they both understand. In MNC operations, this may not necessarily be the case. The most visible and important factor international managers deal with is language diversity. Because of the variety of languages spoken in an MNC, international managers without foreign language skills must rely on interpreters. No matter how competent the interpreter or how accurate the translation, some meaning is always lost in the process. There are always meanings and shades of meanings that cannot be conveyed by translation. Some words cannot be translated at all. The difficulty of translation is but one of the many problems associated with the use of interpreters. Good interpreters are in short supply. A good interpreter is more than a translator of words. There are many characteristics that make a good interpreter, including sensitivity to cultural and social differences, understanding of what makes people laugh in other cultures, and political sensitivity [8]. Sometimes, when using an interpreter, people may let their guard down and use less tact. In such occasions, a socially and culturally sensitive interpreter would not faithfully translate verbatim. The following is an example [8]:

> Before addressing a Chinese audience, a Western scientist noticed a number of children were playing and chattering in the aisles. To his dismay, no one was attempting to quiet them down. After impatiently waiting for a while, he exploded angrily at the interpreter, "Will you tell those little brats to shut up!" The interpreter quietly spoke into the microphone in Chinese what roughly translates, "Little friends, would you please be just a bit more quiet, if you don't mind?" (p. 265)

Humor is very difficult to translate. An important attribute of a good interpreter is the knowledge of what is funny in other cultures. Recall the story in Chap. 3 about an American executive in Japan telling his audience a joke. The interpreter probably knew the translation would not do justice to the joke and therefore told the audience, "The American guest just told a joke, you are supposed to laugh," and the audience responded with hearty laughter.

In translation, one can avoid potential minefields if one is aware that certain political issues are off-limits. For example, the Middle East is made up of a number of countries and cultures. A frequent mistake is the assumption that all are Arabs. This is politically and culturally a very sensitive matter to Iranians, Turks, and Kurds. A good interpreter would make an appropriate distinction and would refer to each culture accordingly.

Danish and Swedish Communication

In the Danish culture, the main purpose of interpersonal communication is maintenance of a familiar atmosphere and relation of affection. It is impolite to explain things, because such an act assumes that someone is ignorant. It is also impolite to ask questions on anything beyond immediate personal concern, because the respondent may not know the answer. It is often considered aggressive or offensive to introduce new ideas. One prefers to repeat the same old jokes. Discussion of politics or economics is taboo, except in marginal enclaves. Safe topics of intellectual conversation are art, literature, and music, on which people are expected to disagree without embarrassment.

In contrast, in Sweden, the purpose of daily interpersonal communication is the transmission of new information or frank feelings. One prefers to be silent unless he or she has an important message, while in Denmark one must keep talking [9, p. 49].

The reliance on interpreters reduces the amount of information an international manager may collect. It shrinks the circle of sources that could be contacted and increases the time involved in communication. The ability to communicate in the local language allows managers to convey the meaning more accurately than with the use of an interpreter. Choosing your own words and picking your own sentence patterns in a foreign language are superior to relying on someone else to correctly or incorrectly produce your ideas, phrases, and nuances. Foreign language skills also contribute to the international managers' adjustment to the local culture and society. According to Mendenhall and Oddou [10], language skills can be viewed as a means to create and foster interpersonal relationships or as a means to understand the dynamics of a new culture. Language skills not only allow international managers to communicate with the locals more easily and accurately; they also permit them to be treated more like "insiders," which by itself is a competitive advantage.

We have discussed language differences in communication and have noted that language differences make international communication very difficult. Additional difficulties arise from cross-cultural differences in nonverbal communication. Managers who are assigned to international operations may gain foreign language proficiency. They may, however, experience difficulty comprehending the full meaning of verbal communication unless they can read and understand nonverbal communication cues. We now consider issues in nonverbal communication.

Cultural Differences in Nonverbal Communication

Communication consists of verbal and nonverbal components. Nonverbal communication cues impart meanings that are usually not presented in verbal communication. Just as there are cultural differences among various national groups, so are there differences in communication patterns, especially in nonverbal cues. Differences in

nonverbal communication cues can be a source of misunderstanding. International managers could greatly improve their understanding of people from other cultures by learning the subtleties of meanings conveyed by these nonverbal cues.

To elaborate on the differences in nonverbal communication cues among cultures, we could discuss country-by-country differences. This would be a tedious process. Signs and motions using the hands, fingers, eyes, and head, for example, convey different meanings in different cultures. Several examples of these motions are depicted in Table 4.1. Some of these signs convey just the opposite meanings in two different cultures. Although learning these signs is very beneficial and can prevent embarrassing experiences, it is very time-consuming. While those contemplating an international assignment are well-advised to make a specific study of nonverbal signs in the interested host country, a better alternative is to compare these differences on some common dimensions. We choose the seven most commonly discussed dimensions of culture [11]. The seven dimensions are expressiveness, emotions, individualism, gender role differentiation and rigidity, power distance (PD), uncertainty, and contextual variations. In the following pages, we will discuss cultural differences in nonverbal communication along these dimensions [12]. The four dimensions introduced by Hofstede, which were discussed in the previous chapter, are summarized here. While there are controversial arguments regarding the validity of Hofstede's cultural dimensions, the use of these dimensions is very common among international management scholars, and they are the basis for much research and discussion on cultural differences [13]. Other researchers have offered expanded lists that include these four dimensions [14]. However, the following dimensions are more relevant for our discussion of cross-cultural communication issues. Table 4.2 illustrates the differences between Americans and Japanese based on these dimensions and other cultural factors.

Expressiveness

If we consider the expressiveness dimension as a continuum, at one end of this continuum are actions that communicate closeness, accessibility, and approach. At the other end are behaviors that express avoidance and distance. In the United States, for example, smiling, touching, eye contact, nearness, open body positions, and more vocal animations are highly expressive behaviors. In a positive relationship, individuals tend to reciprocate expressive behaviors. Cultures in which people exhibit much expressiveness, such as standing closer to one another and touching more, have been labeled as "high-contact" cultures [15]. People of low-contact cultures tend to stand apart and touchless. South Americans, Southern and Eastern Europeans, Middle Easterners, and Indonesians are considered high-contact cultures. Asians, North Americans, and northern Europeans are classified as low-contact cultures. Australians and New Zealanders are moderate in their cultural contact level (Table 4.3).

Face-to-face communication and interaction between people of high- and low-contact cultures can create moments of uneasiness and anxiety. Americans'

Table 4.1 Implications of various nonverbal behaviors in different cultures

Nonverbal Behavior	Country	Meaning
Thumbs up	United States	An approval gesture/O.K./Good job!
	Middle East	A gesture of insult
	Japan	A sign indicating "male"
	Germany	A sign for count of "one"
A finger circulating next to the ear	Argentina	A telephone
	United States	That is crazy!
A raised arm and waggling hand	United States	Goodbye
	India, South America	Beckoning
	Some Africans	Beckoning
	Much of Europe	A signal for "no"
Showing the back of the hand in a V-sign	England	A rude sign
	Greece, Middle East	A sign for count of "two"
Showing a circle formed with index finger and thumb	United States	Very good!
	Turkey	Insult gesture/accusation of homosexuality
Crossing first two fingers	United States	Good luck!
	Taiwan	No smoking!
Touching a person's head	United States	Affection
	Thailand	A major social transgression
Eye contact, gazing	United States	A sign of attentiveness
	Japan	A rude behavior/invasion of privacy
	Most Asian countries	Sign of disrespect to senior people
Widening eye	Unites States	An indication of surprise
	Chinese	An indication of anger
	Hispanic	Request for help
	French	Issuance of challenge
Shaking the head side to side	Western countries	A sign for disagreement/no
	Bulgaria	A sign for agreement/yes
Nodding the head up and down	Western countries	A sign for agreement/yes
	Greece and Bulgaria	A sign for disagreement/no
A hand-shake	Western countries	A greeting action
Bowing	Japanese	A greeting action
Hands placed together in front of the face	India	A greeting action

Table 4.2 Comparison between Americans and Japanese on communication-related cultural factors

Factors	Americans	Japanese
Emotional intensity	Higher	Lower
Individualism	High	Low
Gender role differentiation and rigidity	Moderate	High
Power distance	Low	High
Uncertainty avoidance	Low	High
Contextual information	Low	High
Communication emphasis	Verbal/direct	Nonverbal/indirect
Nonverbal cues	Few/informal	Many/formal
Purpose of interpersonal relations	Self-satisfaction	Group harmony and compliance
Respect for authority	Moderate	Very high

Table 4.3 Expressiveness and nonverbal communication

Less expressive (low contact) cultures	More expressive (high contact) cultures
Distance	Closeness
Avoidance/restraint	Accessibility/open
Detachment	Approach
Less touching	Touching
Not interrupting others in communication	Overlapping communication

Table 4.4 Universal emotional cues

1. Facial expression for anger
2. Disgust
3. Fear
4. Happiness
5. Sadness
6. Surprise

preference for keeping their distance during interpersonal communication may be interpreted by South Americans or Middle Easterners as cold, suspicious, and unfriendly. Conversely, Americans may feel anxious and imposed on by the Middle Easterners' habit of staying very close and touching frequently during a conversation. Taiwanese, for example, tend to prefer seating arrangements that allow side-by-side contacts with persons of the same sex. Americans, on the other hand, prefer seating people of the opposite sex side by side.

People from expressive cultures get actively involved in the communication process and are not bothered by interruptions and overlapping conversations. The opposite is true for people from less expressive and more reserved cultures, who consider interruptions rude and impolite. While expressive communicators may interrupt each other, less expressive and more reserved people patiently take turns in communicating. Communication between the very reserved and polite Japanese is punctuated by moments of silence as well.

Emotions

Emotional expressions are important in communication. For many years, scientists assumed that nonverbal communication cues expressing emotions were culture-specific and were learned differently across cultures. Evidence gathered recently, however, suggests that there are at least six universal emotional cues: facial expressions for anger, disgust, fear, happiness, sadness, and surprise (Table 4.4). These emotional cues are understood by people of many cultures [16]. There are, however, some cultural differences in the experience and evaluation of emotions. The results of the cross-cultural research indicate that the antecedents of emotions vary between cultures. Matsumoto et al. [16] reviewed research findings regarding these differences. Americans and Europeans cited physical pleasures, cultural pleasures, the birth of a new family member, and achievement-related situations as the antecedents of joy. World news, permanent and temporary separations, and death brought about

Table 4.5 Antecedents and elicitors of emotion

| | More frequently reported by | |
	Americans and Europeans	Japanese
Emotions	Antecedents	Elicitors
Joy	Physical pleasures	
	Cultural pleasures	
	Birth of a new family member	
	Achievement-related situations	
Sadness	World news	
	Temporary or permanent separation	Relationships
	Death	
Fear	Strangers	Relationships
	Risky situations	
Anger	Relationships	Relationships
	Situations of injustice	

sadness for Europeans and Americans. For the Japanese, relationships were more frequent elicitors of sadness, anger, and fear. For Americans and Europeans, strangers and risky situations were more frequent elicitors of fear (Table 4.5).

The intensity and duration of these emotions vary among the three cultures, too. Americans report feeling their emotions more intensely and for longer periods of time than Europeans and Japanese. Emotion-eliciting events also cause Americans to feel greater positive self-esteem and self-confidence than the Japanese. This may be due to Americans' individualistic tendency, which emphasizes the self more than others. Finally, the Japanese appear to be more reluctant than Americans to name the cause of their sadness-producing experiences and usually take no action even when they report strong negative emotions.

The review of cross-cultural research by Matsumoto et al. [16] also revealed a difference in the physiological responses to emotional experience among the three cultures. In contrast to Europeans and Americans, the Japanese respondents reported fewer stomach troubles and muscle symptoms in response to the four emotions; less blood pressure change for joy, fear, and anger; and less feeling of cold for fear. These differences may be related to the differences in intensity and duration of the emotions reported by the people of these three cultures.

Observing nonverbal communication among different cultures provides expatriates an insight into cross-cultural communication. In some situations, the real meaning is not conveyed by the verbal language. Verbal communication might be a convenient way out of a potentially embarrassing situation. In a public discussion, for example, the Japanese may agree verbally to avoid the appearance of insulting others by disagreement. Verbal communication may intentionally be vague, which is an indication of disagreement. Also, the words spoken may be just the opposite of the real message, which is hidden under the surface. In these situations, the real meaning and the true message are conveyed through noncommittal phrases, nonverbal silent language, nonverbal behavior, or the context of the communication and the manner of delivery. Paying attention to vague messages and learning these signs, signals, and silent codes of communication could improve intercultural relations and, consequently, influence the managers' performance.

Individualism

Individualism is the culture's emphasis on personal identity. It encourages self-serving behaviors. In individualistic cultures, individuals are expected to primarily look after their own interest and those of their immediate family. The opposite of individualism is collectivism. Collectivist cultures emphasize groups (e.g., family, neighborhood, organizations, and the country), not individuals. The interests and goals of individuals are subordinate to those of the group. Individuals seek fulfillment and happiness in the harmony of the group. Groups provide security to the members and protect their interests in exchange for their complete loyalty.

The nonverbal behaviors of individualistic cultures are different from those of collectivist cultures. The daily activities of people of collectivist cultures demonstrate their interdependence. They live in close proximity to each other and synchronize their play, work, and sleep, while individualistic people tend to do "their own thing" separately [11]. Interdependence and socially prescribed interpersonal relationships are reflected in the way collectivist people use time. They tend to schedule more tasks simultaneously and interrupt meetings to tend to the requests of friends, family members, and business associates. In a way, they are more people-oriented than the people of individualistic cultures.

Because compliance with norms is central to collectivists, they may suppress emotional displays that are contrary to the group mood. Therefore, people of collectivist cultures seem to be more reserved and formal in their demeanor. This tendency may explain a frequently expressed stereotype that "Orientals are inscrutable." Conversely, since individual freedom is of paramount value in individualistic cultures, they encourage the expression of emotion.

In collectivist cultures, most of the norms governing interpersonal relationships are determined by society, while individuals bear this responsibility in individualistic cultures. Therefore, in individualistic cultures, personal initiatives are used for building many interpersonal relationships, including intimate relationships. In the United States, for example, flirting, small talk, initial acquaintance, and dating are more important than in collectivist cultures [11, p. 291]. In collectivist societies, families often arrange opportunities for young people to meet members of the opposite sex and eventually marry. Arranged marriages are not uncommon in some collectivist societies [17, pp. 47–66]. Consequently, it is easier to meet people, and communication is more open in individualistic cultures such as in the United States. The usually transient and casual nature of these relationships, however, may make it appear to collectivists that Americans are non-caring people.

Gender Role Differentiation and Rigidity

This dimension refers to the rigidity and differentiation of socially prescribed gender roles. In some cultures, gender roles are narrowly defined. People are expected to behave within the socially prescribed gender roles. Masculinity is identified with traits and behaviors such as strength, speed, assertiveness, competitiveness,

dominance, anger, ambition, and the pursuit of wealth. Feminine characteristics and behaviors are associated with emotionality, affection, compassion, warmth, and nurturing of the weak and the needy. The emphasis on one or the other set of attributes characterizes the masculinity or femininity of a culture.

Power Distance

Variation in the distribution of power among the members of a society is called power distance. It is the difference in the amount of power possessed by the least powerful and the most powerful members of the society. Various degrees of power inequality exist in all cultures. In each culture, there is an equilibrium level at which both the most powerful and the least powerful persons will find inequality acceptable.

PD creates communication barriers among people and affects nonverbal behaviors. When there is a high level of PD, subordinates show more respect and appear to be more polite in the presence of superiors. Possibly, the continuous smiles of many Asians, who are reared in high-PD countries, are attempts to produce social harmony or appease superiors (Anderson and Bowman, 1985, as cited in Ref. [11]). Also, compared with low-PD countries, people of high-PD cultures appear to speak in a lower voice, apparently not wanting to disturb others. Conversely, those in low-PD cultures are generally less aware that their loud voices may be offensive to others.

Uncertainty

Cultures view risk and uncertainty differently. Some cultures have more aversion to risk and uncertainty and avoid such situations. Other cultures can tolerate such situations better.

Uncertainty and ambiguity could create stress and anxiety, especially in cultures with less tolerance for them. Since freedom can lead to more uncertainty, to avoid uncertainty, some cultures increase the rules governing behavior. Other cultures are able to tolerate freedom without excess stress or anxiety [12, p. 175]. On this basis, one could speculate that there are more communication formalities and more codification of nonverbal behavior among high-uncertainty-avoidance cultures. Conversely, among people of low-uncertainty-avoidance cultures, there might be fewer communication formalities and less codification of nonverbal behavior. Americans, for example, are less worried about the specifics of eating rituals in informal dinners than the people of most other cultures.

Contextual Variations

Cultures vary in their use of context in the communication process [15, 18]. High-context (HC) cultures pay attention to the surrounding circumstances or the context of an event for interpretation of the message [19]. The physical surroundings, the

Table 4.6 Cultures and contextual variations in communication

Information through	
High-context cultures	Low-context cultures
Physical surrounding, implicit	Message itself, explicit
Ambiguous	Unambiguous, specific
Indirect/evasive	Direct/outward
Facial expression, speed, location, pause/silent	Straightforward, yes/no answer
Contract document is to formalize business relationship	Lengthy legal document to anticipate all contingencies
Family honor and obligations, respect for ancestors	Display and reward personal initiatives
Group oriented, share the credit	Individualistic, self-centered
Relationship above achievement	Strong drive to accumulate knowledge and wealth
Appear to others to be sneaky, mysterious, non-disclosing, inscrutable	Stereotyped: Inflexible, efficiency/result oriented, excessively talkative, redundant
Tradition and informal understanding	Written rules
Self-reflective	Self-revealing

manner of delivery, the situation, and the nature of the issue at hand are all an integral part of the communication process and serve to impregnate it with information. This subtle information is understood within the culture because people are accustomed to it. In such cultures, words cannot be taken at face value, and not knowing the hidden meaning behind the words may lead to embarrassment and misunderstanding (Table 4.6).

People of HC cultures are self-reflective, group-oriented, and sensitive to group harmony. They have respect for the hierarchy of status and authority. Family honor and obligations are important to them, including respect for one's ancestors. Asians, most Africans, South Americans, the Southern and Eastern Mediterranean peoples, and Middle Easterners are considered to belong to HC cultures.

In contrast to HC cultures, people of low-context (LC) cultures convey most information explicitly by the message itself. Unambiguity and specificity are characteristics of LC communication, in which messages are spelled out clearly. People of LC cultures are interested in straightforward answers of "yes" or "no" to most inquiries, and they feel uncomfortable in situations where they have to decipher the meaning from the context of the communication.

To people of LC cultures, good communication is direct and does not leave much to personal judgment and interpretation. LC cultures attempt to remove all ambiguity and try to anticipate all contingencies in their contractual relationships. Consequently, most business contracts and agreements are lengthy documents. Conversely, in HC cultures, business contracts are viewed as documents formalizing business relationships that are already built on trust. A few pages would be sufficient as a legal basis for such relationships.

People of LC cultures are direct and outward in their communication patterns and problem-solving style. They do things in sequence, one thing at a time, and tend to be more individualistic. In contrast to the people of HC cultures, people of LC cultures progress better in a planned manner, are technology oriented, and display

and reward initiative. LC cultures have a frontier spirit; possess a strong drive toward accumulating knowledge, material products, and capital wealth; need to control the environment to suit their individual needs; and rely on written rules and regulations for social interaction, cohesion, and control.

Because of these tendencies, LC cultures are stereotyped by others as selfish, individualistic, work driven, inflexible in dealing with human situations, using more external control, and result oriented. The major attributes that LC cultures are identified with "things" and "efficiency" over "people." They tend to use one-dimensional thinking in planning and problem-solving. Most Westerners, including Australians, Britons, Germans, New Zealanders, North Americans, the Swiss, and Scandinavians, are considered to belong to LC cultures. People of these countries are concerned with specifics, details, and precise timetables for most of their activities.

LC cultures put much emphasis on verbal communication and downplay the value of nonverbal communication. The people of LC cultures are usually perceived by others as excessively talkative, redundant, and belaboring the obvious. Conversely, HC people are described as sneaky, mysterious, and non-disclosing [11, p. 294]. Nonverbal communication is more important to people of HC cultures. LC cultures do not perceive many of the contextual communication cues that are common to HC cultures. Much meaning is communicated among the people of HC cultures by contextual cues, such as facial expression, tension, speed and location of interaction, pause and silent moments, and other subtleties of the occasion. People of HC cultures are more active participants in a communication and expect the same from the other party. They will try to interpret and understand the unspoken signs, unarticulated moods, and environmental cues present during a conversation. These cues are often overlooked by most people of LC cultures.

HC and LC cultures have contrasting communication styles. The differences in communication are often the source of misunderstanding and mistrust between people of HC and LC cultures. Understanding these differences can pave the way for better relationships and improved business activities among nations.

Communication Competence

It cannot be overemphasized that international managers must be competent in their communication with the host culture. Expatriates are heavily dependent on their communication skills to bridge the cultural gaps with locals and to overcome the experience of culture shock on foreign assignments.

Spitzberg and Cupach [20] have defined communication competence as the social judgment made by the parties involved in the communication process (interactants) regarding the "goodness" of self and others' communication performance. Communication skills are the basis of communication competence. Verbal and nonverbal behaviors are communication skills, while communication competence is the social judgment made by interactants regarding the possession of these skills.

There are two approaches to the study of communication competence: **culture-specific** and **culture general** [21].

The culture-specific approach views intercultural communication competence as the degree of adjustment to and adoption of the communication patterns and practices of the host country. In other words, skills in and familiarity with communication modes of the host country are considered as communication competence.

The culture-general approach assumes that there is a certain communication competence useful to all cultures. It focuses on those aspects of communication competence that can be generalized to intercultural communication.

In international communication, an integrative view is more practical, in which features of both approaches are combined. While universal communication skills may exist (the claim of the culture-general approach), there might be cultural differences in the behaviors that reflect those skills (culture-specific view). Communication skills such as empathy and respect, for example, might be universal. The expressions and interpretations of them, however, might vary across cultures [22].

The effectiveness of expatriate managers depends on their ability to adapt to cultural and environmental differences. Among the most important skills needed for cross-cultural adaptation are cross-cultural communication skills, the ability to deal with stress, and the ability to establish interpersonal relationships [10]. Cross-cultural research has identified seven communication skills that influence success in foreign countries [22]:

1. The ability to express respect for other persons and their cultures.
2. The ability to respond to others nonjudgmentally.
3. The recognition of the individual basis of our knowledge.
4. Empathy, the ability to see the world through other people's eyes.
5. The ability to function both in people-oriented and task-oriented roles.
6. The ability to take turns and not dominate the interaction and the relationship.
7. The ability to tolerate ambiguity and adjust to a new situation with little discomfort.

Mastering these skills prepares expatriate managers for building interpersonal relationships in most cross-cultural situations.

Intercultural communication competence is enhanced by learning the value systems of other cultures and by developing verbal and nonverbal communication skills. Knowing the foreign language alone is not sufficient for communication competence. In Japan, for example, a person speaking Japanese and politely interacting with people may not create a favorable impression if, in response to a polite bow of the Japanese, he or she naively extends a hand in greeting.

Sensitivity to cultural differences in communication styles improves intercultural communication competence. To be effective in intercultural communication, for example, one should be aware that the type and pattern of interaction and response are influenced by one's cultural upbringing. Most Americans' visualization of a classroom is a place in which students are informally dressed and where frequent interaction between the teacher and the students takes place. Asians, on the other hand, think of a classroom as a place with formally dressed students who listen silently to their teacher's lecture.

Interpersonal interactions and responses to the same questions vary even within a country. In the United States, for example, children of middle-class parents are generally taught more elaborate ways of communication at home. Therefore, these children's classroom answers tend to be long and involved. Children of lower-class parents learn more restrictive communication codes at home and are more likely to respond in the classroom with one-word answers. Much backchanneling is involved in Afro-American communication and interaction. While the speaker is talking, he or she is encouraged by the listener's backchanneling of vocal utterances such as "yeah," "right on," "ahuh," "tell it," "amen," and "go on." A white, middle-class teacher, who is uninformed about cultural differences, may misinterpret the short answers of these students as an indication of less knowledge. Similarly, such teachers are often offended by backchanneling and consider the constant interruption annoying rather than reinforcing [23].

Dos and Don'ts of Communication with Foreigners

Communication between people of different cultures is more difficult not only due to cultural differences but also due to differences in language. Many people who speak a foreign language may not fully comprehend its subtleties and nuances. Adler offers certain ways to improve communication with someone who is not fully proficient in a language [24]. Some recommended ways of improving understanding when dealing with people whose native language is not English include [25]:

– **Clarity:** Do not *confuse* foreigners by the use of colloquial expressions. Make it easier for them to understand you by enunciating each word clearly. Use simple vocabulary, and avoid long, compound sentences that require language proficiency. Repeat important ideas as often as you can, and pause frequently to allow time for mental translation and comprehension. Highlight important issues by providing summaries at important junctures in your discussion. Spontaneous translation takes time and energy.
– **Responsiveness:** Allow listeners enough time to think. Do not rush to fill the silent periods that are normal in bilingual conversations. And when either side raises questions or concerns, try to address them immediately.
– **Comfort:** Trustworthiness that leads to comfortable interaction between parties helps succeed intercultural negotiations. Because negotiators can reduce pressures and thus are less likely to misinterpret certain cues (e.g., silent during negotiation).

In addition to learning about other cultures, Frank Acuff suggests the following ten negotiation strategies that will work anywhere [26, p. 97]:

1. Plan the negotiation.
2. Adopt a win-win approach.
3. Maintain high aspirations.

  4. Use language that is simple and accessible.
  5. Ask lots of questions, and then listen with your eyes and ears.
  6. Build solid relationships.
  7. Maintain personal integrity.
  8. Conserve concessions.
  9. Be patient.
 10. Be culturally literate and adapt to the negotiating strategies of the host country environment.

International Negotiations

One of the most difficult and important tasks facing international managers is negotiation. To successfully conclude a business deal, labor agreement, or government contract with foreigners requires a considerable amount of communication skill. International negotiation is very complex and difficult because it involves different laws, regulations, standards, business practices, and above all cultural differences. The popularity of the saying "When in Rome, do as the Romans do" is an indication of our awareness that to succeed in international negotiation, we need to suppress our ethnocentric tendencies. This awareness, however, has not translated into substantial knowledge and understanding. There are two types of negotiation, intracultural and intercultural. Today, much of the literature on negotiation deals with intracultural settings. Only recently has intercultural negotiation received the attention of management scholars.

Acuff has defined negotiation as "the process of communicating back and forth for the purpose of reaching a joint agreement about differing needs or ideas" [26, p. 21]. In any negotiation, we can identify three components: the process, the parties in the negotiation, and the agreement or the outcome of the negotiation. Negotiating entities could be from the same culture or from different cultures. In the following pages, we summarize the elements of negotiation from an intracultural perspective. Next, we study the role of cultural differences in intercultural negotiation.

Negotiation Process

Most writings on negotiation assume similarity in culture and fields of experience among negotiating parties. Based on this assumption, negotiation strategies are devised to influence the other party's position. Writing from a North American perspective, Goldman [27], for example, suggested that successful negotiation involves accomplishing three tasks (p. 6):

1. Bringing your own perceptions in line with reality.
2. Ascertaining the other side's perceptions of the proposed transaction and the available alternatives.
3. Finding ways to favorably alter the other side's perceptions.

He says that in negotiation what counts is not true reality but the parties' perception of reality. He assumes that negotiating parties are from the same culture and have similar views and perceptions of reality.

There are two extreme negotiating positions, "hard" and "soft." Those taking a hard position see every negotiation as a contest of wills. They believe that by taking extreme positions and holding out longer, they will fare better. Taking a hard position may lead to confrontation, however. Often, the other party responds by taking an equally hard position. This exhausts both parties and damages their long-term relationship. Whereas a hard position is confrontational and adversely affects long-term relationships, a soft position may create a one-sided deal and foster ill feelings. Avoiding confrontation and taking a more accommodating soft position may result in an undue advantage for the other party. By making concessions, a soft negotiator often ends up with less than a desirable deal and may feel bitter about it [28].

Neither the hard nor the soft approach to negotiation is constructive. Fisher and Ury [28] suggest that principled negotiation (PN), or negotiating on merits, is a better alternative. Although PN was proposed for intracultural situations, and has been criticized by others [29], with some modifications, it can be applied to intercultural negotiations as well. Cultural differences, however, render some of its aspects less useful for negotiations that cross cultural boundaries.

Principled Negotiation

The PN method is applicable to all stages of negotiation and involves four basic factors: people, interests, options, and criteria. The three stages of negotiation are analysis, planning, and discussion. In each stage, according to Fisher and Ury [28], you could consider the four factors of PN (Table 4.7).

In the following, we will discuss the four factors of PN, which could produce a constructive negotiation process.

People Separate the people from the problem. Often, negotiating parties become emotional, and instead of attacking the problem, they attack each other. This produces defensive behavior, which is not conducive to constructive negotiation. Reducing the emotional overtone and building a good working relationship improve the chances of success. Allow room to express emotions without taking them personally. In reserved cultures, such as those of Asians, negotiations and communication are expected to be free of emotional outbursts. Visible emotional expressions are considered signs of immaturity.

Table 4.7 Principled negotiation

	People	Interests	Options	Criteria
Analysis	×	×	×	×
Planning	×	×	×	×
Discussion	×	×	×	×

For strangers to reach an agreement, they must communicate well. Try to build a relationship with the other party that encourages good communication. Finally, allow the other party a "face-saving" position.

Interests Focus on interests, not positions. Sharing information creates understanding. Positions are "what" the parties say they want, and interests are "why" they want them. Try to discover what "interests" are behind the positions of the other participants. Be careful when one party tries to learn the other's interests without revealing its own.

Options Look for areas of mutual gain, and search for alternatives that give both sides something to gain. Considering multiple options, instead of one option at a time, may provide for more commonality of interests. Before deciding how to cut the pie, increase its size.

Criteria Insist on objective criteria that can be used in selecting the final option. Agreement on objective criteria, such as market value, expert opinion, custom, precedence, law, and industry practices, eliminates one-sided outcomes.

Do not give in to pressure, and do not permit the negotiation to become a contest of wills. Following these four factors in the three stages of negotiation should lead parties to an agreement that both can accept.

Now, let us consider the three stages of PN.

Analysis Make certain preparations before arriving at the negotiation table. The analysis stage deals with gathering and organizing information for diagnosing the situation. Review the issues pertinent to the four basic factors of people, interests, options, and criteria. Consider any people problems that might arise during the negotiation, such as perception, emotion, and communication. Define your interests and those of the other party. Review the options already on the table, and identify the criteria and framework suggested for the negotiation. Analyze intercultural negotiation that involves learning about other cultures, understanding their communication methods, and knowing their likes, dislikes, and preferences.

Planning In the planning stage, again you are dealing with the same four factors of people, interests, options, and criteria. Here, you want to generate ideas and decide how to use them and determine how to deal with people problems that may arise. Prioritize your interests, and set realistic objectives. Generate more options, and devise criteria for selecting the best option.

Discussion Parties communicate back and forth looking for ways to agree on various issues. Discussion is how perceptions, feelings, and difficulties in communication

are addressed. Both parties acknowledge each other's interests, identify options that are mutually beneficial, and seek agreements on objective standards that could resolve opposing interests. Applied to intercultural negotiation, the discussion stage can be used to build and improve the relationship and create trust between parties.

PN provides parties to a negotiation with a method of focusing on basic interests and mutually advantageous solutions. Unlike inefficient bargaining within a political framework, PN enables parties to reach an agreement without all the haggling and posturing. By separating the people from the problem, PN makes an amicable and efficient agreement possible. Cultural differences, however, make some aspects of PN less viable for intercultural negotiations.

PN makes culturally based assumptions regarding the fields of experience and value systems of negotiators and views negotiations from a North American perspective. While these assumptions may be true for intracultural negotiations, they might not be as effective in intercultural situations. For example, separating people from the problems is not realistic in relationship-focused (RF) cultures. People from RF cultures are unable to separate people from the issues. The objective, abstract separation of people and problems or issues leaves them nothing tangible to deal with.

In the following section, we examine the American style of negotiation and its shortcomings. We discuss how these shortcomings could lead to ineffective intercultural negotiation.

The American Negotiation Style

Americans often enter international negotiations assuming their knowledge and experiences at home in dealing with suppliers, buyers, bankers, labor, and US government agencies will be sufficient in securing a good agreement. They take a self-centered, objective, problem-solving approach. Although they are very well aware that it takes two to make a deal, they concentrate on their side and attempt to maximize their gains. In the same vein, Kuhn [30] advises negotiators:

> Don't worry what others get. Don't worry what others think. Just know what you want to accomplish. Keep your eye on the ball and don't allow extraneous pressures to distract you. A good deal maker is constantly enhancing his or her perceived power. The trick is a track record. Everyone wants to associate with a winner. (p. 27)

Confident of their own skills and believing that most negotiations can be dealt with in a logical and systematic order, Americans venture into negotiations with others while making assumptions that can lead to problems. Most of these assumptions are similar to those made by the PN and can lead to ineffective international negotiation. Let us look at some of these assumptions (Refs. [26, pp. 41–66; 30]). Table 4.8 highlights the American and the Japanese negotiation characteristics.

Table 4.8 Negotiation factors of the Americans and the Japanese

Americans	Japanese
Self-assured	Group dependent
Win/lose attitude	Win/win attitude
Competitive/distributive outcome	Noncompetitive/integrative outcome
Self-promotion	Group promotion
Lone ranger (doing it alone)	Rely on group
Efficiency/task-oriented	Relationship oriented
Direct/open communication	Subtle/indirect communication
Active	Passive
Silence is avoided	Silence is accepted
Linear thinking	Holistic thinking
Fixed/written contracts/legal	Fluid, flexible contracts
Abstract concepts	Situational concepts
Verbal cues	Nonverbal cues
Ego-preserving attitudes	Relationship-building attitudes
Power-oriented attitudes	Harmony-seeking attitudes
Short-term perspective	Long-term perspective
Deal focused	People focused
Comfortable with strangers	Comfortable with friends and associates
Clarity and openness	Face-saving
Avoid small talk	Build relationship through small talk
Impatient	Patient
Act informally	Follow formal protocol

Doing It Alone

The individualistic tendencies of Americans lead them to believe that they can handle any situation alone. Americans often enter negotiations very self-confidently, thinking that they can handle whatever difficulties they encounter. They stress on individuality and the importance of asserting the self, and they value autonomy and independence [31]. They take the "Lone Ranger" approach to negotiations [26, p. 45]. From the other party's viewpoint, this may look as if Americans are not taking the negotiation seriously and are not prepared for it. In practice, by going it alone, Americans may find themselves in strange situations, in unfamiliar settings, and outnumbered.

Informality and Open Communication

To Americans, informality is not only a desirable attribute; it is efficient. It allows one to get down to business quickly without wasting time. The assumption is that getting to the point and discussing the "bottom line" save time and energy. Time spent on formalities and protocol is time taken away from doing business. Americans prefer direct and open communication. They believe that honest information exchange should facilitate negotiation. They like to put all their cards on the table and be direct, sincere, and honest, telling it as is. The desire for efficiency and getting things done in less time makes them appear hasty and impatient. Many foreigners see open and direct communication as crude. In some cultures, it is offensive and rude to jump into the final issue without proper preparation and without following protocol.

Foreign Language Skills

Most American managers are not proficient in foreign languages. In contrast, their foreign counterparts are often well versed in at least a couple of foreign languages. The inability to communicate in any language but English is a handicap for Americans. Often, American negotiators watch in frustration while foreigners argue among themselves in their mother tongue, aware that the Americans will not be able to comprehend the content of their arguments.

Silence

Unlike Asians, who use silent periods to reflect and organize their thoughts, Americans do not like silence. Because of their concern for time, silent periods appear to Americans as inactivity and a waste of time. They get frustrated in what appears to be a slow-moving negotiation process because of their inability to read the nonverbal, silent language of Asians. The following complaint is a typical example:

> I spent a week in Japan negotiating a deal that seemed to be good for both parties. For the life of me, I could not make any sense, one way or another, if they were interested or not. They just sat there listening to me, with no expressions on their faces. Yes! They apologized a lot for nothing. I am forced to make another trip just to find out if they like my proposal!

Persistence and Competitiveness

Americans prize persistence and will not give up easily. They do not take "no" for an answer. Their competitive nature and their desire to win make persistence a very valued attribute. "If at first, you don't succeed, try and try again" is a hallmark of the American mentality. Americans view negotiations as a win-lose situation. Moreover, they assume that others have the same view of the negotiation. Unfortunately, projecting such unwarranted similarities can lead to disappointment when negotiations get bogged down due to cultural differences.

Legalistic and Linear Approach

Most American negotiators use a linear approach to problem-solving. Complex problems are broken down into simpler issues, and each issue is tackled separately. In a linear fashion, one issue at a time is solved until the total problem is settled. Americans prefer precise, written contracts that cover every detail of the business transaction in a legal, formal framework.

Now that we have learned about the American style of negotiation, we can examine intercultural negotiations.

Intercultural Negotiations

Effective communication is the foundation of a successful negotiation. Intercultural negotiation has all the pitfalls of intracultural communication and is made more difficult by cultural differences. Based on the proposition suggested by Bangert [32], in the following paragraphs, we will examine the influence of culture on various components of negotiation.

Cultural Influences on Negotiation

The complexity of issues in a negotiation may determine the size of the negotiating teams. Negotiations on complex issues such as oil exploration and marketing rights with a foreign country require the use of many specialists. Most negotiations between MNCs and their foreign partners are complex. In these negotiations, MNCs employ many staff specialists. Not all members of the staff need to attend the negotiation session. Negotiating teams may simply benefit from the behind-the-scenes services of the specialist staff. Cultural differences influence the size of the team directly involved in the negotiation. Negotiating teams from collectivist societies tend to be large, whereas, in an individualistic culture, a single person can represent an acceptable negotiating team. The Japanese, for example, prefer to use a large negotiating team, while Americans may send only a couple of persons to the negotiation table. Those two lone negotiators at the table may be overwhelmed by the team of negotiators from a collectivist society.

Collectivist societies consider people very important. Long-term relationships, consensus, and harmony among organizational members are important to them. The blurring of boundaries between people and the environmental situations in collectivist cultures has already been discussed. Contrary to the suggestion of PN, it is difficult for collectivists to separate issues from the people. For the same reason, collectivists are very reluctant to express disagreement openly. They fear that this may cause hurt feelings. Consequently, nonverbal and indirect communication cues play an important role in negotiation with collectivists. To succeed in business in Korea, for example, a person needs an extraordinary skill to read *nunch'i* (noonchee) [33]:

> *Nunch'i* means the look in a person's eyes, the nonverbal reaction of a person to a question, an order, or any interaction with another person. Koreans are very skilled at this subtle art and take it for granted that others are also. (p. 83)

In a classic case of cross-cultural communication failure, a foreign manager learned the role of *nunch'i* the hard way. Paul Dredge, a senior associate of Korean Strategy Associations, recounted the following incident [33]:

> The office of a joint venture company in Seoul, Korea was located in a prestigious but inconvenient area of the city. To make it more convenient for both the visitors and the employees, the foreign manager decided to move the office to a nice downtown location. In his discussion of the issue with his Korean colleagues, he did not encounter any objections. All along he assumed they agreed with his choice of the location. He was baffled, however, when at the last moment the Korean president, without any explanation, refused to allow the move. It created an impasse, and a great deal of ill will on both sides.
>
> From the beginning, the Korean president and personnel had opposed the move. They had not directly expressed their opposition, however. They did not want to confront him openly in a contest that they knew the foreign manager could not win. To be polite, in a face-saving attempt, they were not specific about their objection to the move. It was up to the foreign manager to ask the right questions and understand the right answers. They had relied on his ability to read *nunch'i*. His failure had caused the loss of face on both sides. (pp. 83–84)

Negotiations between people of **masculine** and **feminine** cultures may also run into difficulties. For negotiators from masculine societies, ego preservation is important. For them to compromise may give the appearance of giving in, which could be considered a sign of weakness. Consequently, they may be in greater danger of taking a rigid position, which may lead to a breakdown in the negotiations. Negotiators from a feminine culture may not be aware of the importance of ego to people of masculine cultures. Building the ego of their counterparts and focusing on the task at hand may help advance negotiations faster.

Similarly, negotiation is more difficult between people of different cultures with dissimilar value systems. Compared with **low-PD** cultures, negotiators from a **high-PD** culture may need more information to convince their superiors of the value of the agreement. They may also take more time because they have to clear most decisions with those in positions of power.

Views of the expected outcomes of negotiation may also be culturally based. Specifically, the expected outcomes of any negotiation may be either integrative or distributive.

Integrative outcomes, or win-win situations, produce mutual benefits to both parties. To produce integrative outcomes, both parties must locate and adopt options that reconcile their needs. Integrative negotiations result in great benefits for both parties and stable relationships. By cooperation, the parties increase the size of the pie that they will eventually divide among themselves [34].

Distributive outcomes are the result of competition among the negotiators, each trying to get a larger share of the same pie without attempting to increase its size. Distributive negotiation is a win-lose scenario, in which negotiators believe that they have opposing interests and incompatible alternative choices [35].

Similar to most Westerners, Americans view a contract, once it is negotiated and signed, as binding regardless of changed circumstances that might make it less attractive to one of the parties than it had been initially [36, pp. 65–66]. For Americans, a contract should not be modified: "A deal is a deal. For Easterners, agreements are often regarded as tentatively agreed upon guides for the future" [36, p. 196]. Americans tend to have a short-term, distributive view of negotiation. Since Americans are concerned with their own interests and view negotiations competitively, they often arrive at distributive outcomes. In contrast, most Asians view negotiation as a long-term relationship and a cooperative task. Based on laboratory experiments, we can make certain statements regarding intercultural negotiations. Viewing negotiations as a win-win proposition tends to produce an integrative outcome. Negotiations between those with distributive views (e.g., Americans) and those with integrative views (e.g., Japanese) tend to produce distributive outcomes [37].

We know that differences in the fields of experience create barriers to communication and may derail intercultural negotiation. Consider the following case:

> A young female interpreter in one of her early assignments ran into a very challenging situation. She had been assigned as an interpreter for the Russian delegations in India. One of her contracts was to be the interpreter for a cultural exchange program. On the Indian

side, she was working for an administrative officer, a post held in high esteem in the country. On the Russian side, the head of the delegation was the director of a cultural organization. The day the Russian arrived in India, she and her employer went to his hotel to welcome him to the country. The Russian was overjoyed to see them, and after greetings and introductions, he decided to make them more comfortable by narrating an anecdote of not quite innocent contents. Mistake number one. It was visibly evident that the Indian administrator was not at all amused. The astute Russian realized something was probably wrong and decided to rectify the situation in the true Russian style by pouring a round of vodka for everybody, without even asking them if they would like to have a drink. Mistake number two, and a major one. The Indian administrator, who was a very conservative person, did not drink. She was probably in the worst dilemma. She had lived in Russia for a few years and knew that the best way to insult a Russian is to not drink his vodka. But to drink it would be like slapping her boss in the face. Of course, she decided to keep her job and not even pick up the drink. But after such a head start you can imagine how the rest of the negotiation went.[2]

Deal-Focused and Relationship-Focused People

The people-oriented and task-oriented continuum often discussed in the leadership literature can be used in the typology of cultures and negotiation perspectives. According to Richard Gesteland [7], people of different cultures can be categorized as either deal focused (DF) or RF. DF people are fundamentally task-oriented, while RF types are more people-oriented.

RF types constitute the vast majority of the world's cultures. Africans, Asians, Pacific Islanders, Latin Americans, and Middle Easterners are RF. They prefer to deal with family, friends, and those well-known to them. In effect, they are more interested in doing business with those who can be trusted. Doing business with strangers makes them uncomfortable unless they are given a chance to get to know and develop trusting relationships with them. They are very interested in preserving harmony. Therefore, very seldom do they bluntly say what is on their mind.

Only a small part of the world is DF type. People of northern Europe, North America, Australia, and New Zealand are DF type, and they are relatively open to doing business with strangers. Clarity and sincerity are preferred by DF types over harmony and saving face. It is common for DF types to make initial contacts with prospective business partners without prior relationships or connections. For DF people, the sooner the business negotiations and business deals begin, the better. They prefer to waste no time over what they consider unnecessary, time-consuming, small talk and activities that are not directly related to the business at hand.

In doing business with RF types, referrals or introduction by a go-between who can be trusted is helpful. In business negotiations and transactions, RF people spend a great amount of time building relationships with prospective business partners, before getting into actual business negotiations.

To be successful in business negotiations, we should recognize the differences between the two types. Negotiations between RF and DF types can run into major difficulties if the idiosyncrasies of each type are not acknowledged and the ways of dealing with them are not devised. Consider the following example [7]:

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[2] Told by Parvathy Menon, my graduate assistant.

A northern European executive had been haggling for months in long drawn-out negotiations in Ho Chi Minh City. The deal was to start a joint venture with a Vietnamese company. Toward the end of a very frustrating day, the European manager lost his patience. He was no longer able to mask his irritation from what seemed to be endless inquiries and delays. His face began to turn red, very red. He started to shake with anger. Then he clenched his fist so hard that the pencil he was holding in his hand snapped. Instantly, the silence fell over the room at the sound of the breaking pencil. A moment later, all of the Vietnamese delegations got up and stormed out of the conference room. The next day a fax from them informed the European headquarters that Vietnamese would never again sit across the negotiation table with such a rude, and arrogant person. To them, openly showing anger had resulted in both sides losing face. (p. 36)

Negotiation Points to Remember

Given the differences in negotiation perspective that can occur between Americans and people of other nations, it is not surprising that international negotiations are marred by many difficulties, misunderstandings, and mistakes. Learning about the cultural perspectives of negotiation can reduce some of the problems of intercultural negotiations. The first step in improving international negotiations is to understand the influence of cultural differences in negotiation styles. Armed with knowledge about various cultural perspectives on negotiation, steps can be taken to reduce the difficulties and increase the chance of success in dealing with people of other cultures. The following examples illustrate style differences in international negotiation and point out the pitfalls to avoid.

We know, for example, that there are differences in time orientation and other cultural values between Americans and other people. These cultural differences influence the objectives, content, and direction of discussion in negotiations. Americans value youth and rely more on expertise and knowledge than on age and seniority in selecting the members of negotiating teams. Younger negotiators are not uncommon among American teams. In other cultures, such as the Middle East, South America, and Asia, team members are often selected on the basis of age, seniority, social standing, and family connections. Some foreigners may not look favorably on a negotiation when they sit across the table from the much younger managers representing American companies.

Sometimes, intercultural negotiation fails due to ignorance and unfamiliarity with the cultural values of the host country. The host may consider that ignorance disrespectful and insulting. This was the case with an American salesman who was attempting to secure a multimillion-dollar business in Saudi Arabia. He presented his Saudi client with a business proposal in a pigskin folder. He was astonished when he was unceremoniously tossed out of the country and his company was blacklisted. In many Muslim cultures, anything associated with pigs is considered vile [38].

The decision-making styles of Asians, and particularly Japanese, are different from that of Americans. The Japanese include more levels of hierarchy and much more people in most decision processes. Involving more people in the decision-making process when the intention is to arrive at a consensus becomes more time-consuming. The implementation of consensus decisions takes less time, however. The American style of proposal-counterproposal negotiation does not fit well with the Japanese consensus-building, group-based decision-making process. Persuasive

arguments are not as effective with the Japanese as is detailed information. They would prefer first reaching an agreement informally and then formalizing it with a short, written contract [39].

Bargaining and negotiation are part of daily life in the Middle East. It is unusual to walk into a shop and purchase merchandise at a specific price. No one expects to complete a deal quickly without bargaining. Patience and protocol are prized. Middle Easterners enjoy flowery prose and poetry and often sprinkle their talk with the recitation of poetry. As RF-type people, they are more concerned with personal integrity and building a relationship than with the formality of concluding an agreement. Similar to the Asians, saving face and preserving their honor and reputation are very important to Middle Easterners. They take pride in their hospitality, are very generous, and appreciate generous people. They have little respect for those who are tightfisted with their wealth. Foreigners who want to establish business relationships in the Middle East should be ready to combine personal relationships with business transactions. In the following paragraph, a foreign negotiator's recounting of his experience is a typical example of the personal nature of doing business in the Middle East [26].

> The Labour Minister for the United Arab Emirates was in my office to help negotiate an end to a work stoppage by the local Dubai construction workers. The meeting went well until we finished our discussions. While walking with His Highness to the door of my office, I mentioned that he had a beautiful briefcase (mine was in a general state of disrepair). As I reached the door I noticed that he was no longer walking with me. I turned around to see His Highness emptying the contents of his briefcase on my desk.
>
> "Did you lose something?" I tried to ask helpfully.
>
> "No, no," he replied. "I want you to have," he added, as he presented his briefcase to me. "This is for you. You are my friend."
>
> After profusely apologizing, I convinced him that I really couldn't accept the briefcase.
>
> The lesson learned? In that part of the world, don't go around complimenting people on their possessions. You just might end up with them. (p. 57)

In negotiating with people from different cultures, understanding the proper negotiation behaviors and protocol can increase the likelihood of success. Astute negotiators pay close attention to greetings and addressing of people, proper dress, and the norms of formality/informality in various cultures. Along these lines, Table 4.9 summarizes some important points to remember.

In the unfortunate event that a negotiation runs into dispute and deadlock, there are ways of preventing a total failure. Changing the composition of the negotiating team may help, possibly even assigning a wholly new team. A less dramatic action may also be successful. A change of venue, adjournment of the session, or repackaging of the deal may be sufficient to break the deadlock. Popular cultural practices may offer opportunities in these situations. Arabs, for example, will take a recess for prayer, Japanese will bring in a senior executive to "see what the problem is, Swedes will go out drinking together, and Finns [will] retire to the sauna" [40].[3]

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[3] This and the following question are based on the classroom material used by Betty Jane Punnett and Donald M. Wood, both from the University of West Indies.

Table 4.9 Points to consider in intercultural negotiation

Behavior	Cultural norms/values to consider
Punctuality	Are they polychromic or monochromic?
Greetings	What is the proper way of addressing and greeting people? The role of business cards?
Deal or relationship focus	Should the hosts focus on building a relationship first or accept the American-style business focus?
Formal versus informal	How much informality is accepted?
Dress code	What is the proper dress? What colors should I avoid?
Nonverbal cues	
Emotion	How reserved should a person appear? How much emotion can be displayed?
Eye contact	Is it polite to keep direct eye contact?
Silence	How is silence reviewed? Is it accepted?
Touching	Is touching a normal behavior?
Personal space	What is the proper distance between people?
Body language	What gestures and forms of body language are rude or insulting?
Dining protocol	What are the eating protocols? What manners should be avoided? What foods are taboos?
Gift giving	Is gift giving expected in business settings? What gifts should be avoided? What price range is acceptable?
Age and gender	How senior should the negotiator be? Are females viewed (un)favorably?

Chapter Summary

Without communication, no organization can function. By communicating, we share information, knowledge, beliefs, and values; we also share our ideas, opinions, and feelings with others. It is through communication that we negotiate a deal, buy and sell products, and exchange information. Communication is complete when the meaning we intended to send with our message reaches its destination and is understood by the receiver. This requires commonality of fields of experience between the sender and the receiver. Cultural differences that create different fields of experience make communication across cultures very difficult. International managers need to understand the influence of cultural differences in communication. They can improve intercultural communication by recognizing the cross-cultural variations in communication patterns.

Although verbal communication and written communication are the predominant forms of communication, nonverbal cues are used to supplement or replace the oral and written forms. Similar to differences in languages, there are cultural variations in the nonverbal cues, signs, and signals used in communication. Because language differences are apparent, we learn foreign languages to communicate with other people in their mother tongue. Nonverbal cues, signs, and signals used in communication are less evident; therefore, fewer attempts are made to understand them. International managers who do not familiarize themselves with the idiosyncrasies of

nonverbal communication will face more communication problems. Ignorance of nonverbal, cross-cultural communication can have serious consequences. Unfamiliarity in reading the meaning behind the verbal messages could lead to misunderstanding, confusion, and business failure.

To negotiate a business deal, international managers must recognize the cultural differences in communication and negotiation styles. The skills developed in intracultural negotiations are insufficient for conducting inter-cultural negotiations. "Projective similarity," assuming that others negotiate the same way as we do, could lead to disappointing results. The American view that negotiation is a competitive game is not necessarily shared by other people. Some cultures view negotiation as a relationship-building exercise. Such a view of negotiation calls for a different type of negotiation and differ-ent skills. Attempts at maximizing our gains with such groups may produce a short-term result but may damage the long-term relationships. International managers who succeed remember the saying "When in Rome, do as the Romans do."

Discussion Questions
1. What are the differences between macro and micro international communications?
2. Explain developing countries' concerns regarding international communication.
3. In what way can cultural differences cause communication problems?
4. Why is understanding of nonverbal communication more important to international managers?
5. Give an example of an American nonverbal communication that may have a different meaning in another culture.
6. Based on the material in this chapter, how would you advise a person from a culture that is high on the femininity index in negotiations with an individual from a culture that is high on the masculinity index?
7. Why do negotiators from high-PD societies need more information?
8. Use at least two cultural dimensions discussed in this chapter for explain-ing the assertion that Americans are very legalistic and short-term ori-ented in negotiations.
9. What is the PN method? How different is PN from other negotiation methods?
10. Compare the American style of negotiation with that of the Japanese.
11. How do you negotiate with RF people?
12. What strategies should be used in negotiation with DF people?
13. What are your recommendations for breaking a deadlocked negotiation?

14. You are planning a trip to Riyadh, Saudi Arabia. The trip is for the purpose of negotiating a business deal with a prospective Saudi partner. As is customary in the Middle East, you are planning to take a couple of gifts for your hosts. Which one of the following should you take with you, and which one(s) should you not take with you? Explain.
    A. 20–30 lb. whole ham
    B. A bottle of whiskey.
    C. A book of American landscape paintings.
    D. A set of expensive pens with your company logos engraved on them.
    E. A Bible.
15. A few years ago, before accepting international assignments, you studied a couple of foreign languages, including Spanish. Your 2 years of work in Singapore did not provide you with an opportunity to practice your language skill. Now you are assigned to Brazil. When visiting your host in Rio de Janeiro, is it a good idea to speak in Spanish even though you are not proficient? Explain.

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