

Journal entry week 6

Business



first Business Topic: Journal Entry Week 6 In the article, ' The hidden challenge of cross-border negotiations,' the author Sebenius talks about the impact cultural differences can make on cross-border negotiations and businesses. These cultural differences can lead to significant misinterpretations, misunderstandings or even underestimation of situations, intentions, and meanings in the absence of awareness of these differences. Cultural belief systems and rituals have an impact on the society, politics, behavior, and attitudes of individuals. Impact of these elements on negotiations can be felt in cross-border dealings. For instance, Sebenius notes that business dealings in China are influenced by local political groups even in private companies, which might surprise American business professionals (p. 7). In case of Germany, major board-level decisions involve labor force participation. Cultural differences also cause serious confusion in identifying the actual decision makers. Different cultures follow different norms and have different meanings to trust, faith, relationship, and ethics. These differences could startle the ignorant business personnel. In some countries, decision rights are even vested with the shareholders, which could become terrible cause for concern when foreign companies invest in these shares; moreover, shareholder regulations are different in different countries. Sebenius also points out that informal influences can cause significant say in a deal; these informal groups can assume different forms in different countries (p. 7). Hence, it is important to realize and understand who these informal groups are before signing any deals. Through illustrations explaining such influences of cultural difference, Sebenius attempts to clarify that cross-border negotiations would require acquisition of clear understanding of other cultures, their influential people, roles, and various

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other groups that might influence the negotiation and the business. Sebenius (p. 10) also enlightens us with some suggestions to deal with people from different cultures to arrive at successful negotiations. For instance, in top-down authoritative cultures, negotiations must be made directly with the authoritarians rather than any subordinates; however, it is also important to obtain an awareness of other informal groups in such cultures. Negotiation process also differs in different cultures. In some cultures, the negotiators aim at win-win whereas in some they only think about their advantage. This article also introduces various types of negotiation processes such as consensus building and coalition building; differences in the way these negotiations are carried out also significantly impact the outcome.

This article was extremely helpful in understanding how cultural differences can actually impact the negotiation processes and business dealings despite commonalities, such as objectives, purpose, language etc, between all parties involved in the deal. In addition, the author suggests certain approaches that could be adapted to the negotiation style of the opposite party. Sebenius also suggests certain dos and don'ts for business dealings with foreign groups and advises to be especially cautious of body language, eye contact, etiquette, formality, punctuality etc; these advices also help in avoiding misunderstanding or misinterpretations during business deals.

Although an extremely insightful reading, this article lacks deeper focus on possible adaptations of cultural differences in management styles of these countries, as identified by Hofstede. However, Sebenius does touch upon Hofstede's four cultural dimensions with short explanation. Sebenius suggests further literature review to understand cultural dimensions

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suggested by others such as Trompenaars and Turner. Yet, this article could be used to build an understanding of manifestations of basic cultural differences on people's behavior and attitudes; this article also sheds light on different factors involved in a business negotiation. Researchers and business personnel might want to keep these perspectives in mind and conduct further research before taking up cross-border business negotiations.

Works Cited

Sebenius, James K. The Hidden Challenge of Cross-border Negotiations. Harvard Business Review, 2002.