

Impacts of cultural differences

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Abstract

The article commences from the types of cultural differences, then it explains the impacts of these culture differences on international business negotiation and finally it analyzes how to deal with the problem of the cultural differences correctly in negotiation process. Such a standpoint is emphasized: In the business negotiations between different countries, negotiators should accept the other party's culture, and try to make him be accepted; then make a correct evaluation with the help of valid communication and discover their real benefits between them. Besides, we should know clearly and try to accept the culture differences as possible as we can. It is very important for the success of culture negotiations.

Introduction

Along with the advancement of globalization and China's WTO entry, business enterprises in China have to face more and more business negotiations with foreign enterprises, especially with American enterprises. In these negotiations, Chinese negotiators sometimes feel uncomfortable, puzzled, lost, irritated and the alike, because of unfamiliar custom and behaviors demonstrated by American negotiators. Meanwhile, American negotiators confront the same situation. Cultural differences between China and western countries could cause many problems. Therefore, understanding cultural differences and overcoming them is crucial in international business negotiations. Although the definition of culture is numerous and vague, it is commonly recognized that culture is a shared system of symbols, beliefs, values, attitudes and expectations. Culture is a major determinant in

business negotiation. So have a clear picture of culture differences if of great significance.

Types of Culture Differences

The east countries and west countries have produced different cultures on the different continents. Among the different cultures, value views, negotiating style and thinking model appear more obvious.

Value View

Value view is the standard that people use to assess objective things. It includes time view, equality view and objectivity. People may draw a different or even contradictory conclusion about the same thing. Value view is one of the most important differences among the many factors. It can influence the attitude, needs and behavior of people. The value view varies from nation to nation, people know that the eastern person focus on collectivism, while the western people pay more attention to individualism.

Negotiating Style

Negotiating style refers to the tolerance and graces which the negotiator shows in the negotiation. The negotiators show their negotiating style through behavior, manners and the method of controlling negotiation process during the negotiation. The negotiator's negotiating style has a bearing on their culture background. According to the culture differences, negotiating style falls into two types: the east negotiating style pattern and the west negotiating style pattern.

Thinking Model

Thinking model reflects the culture. Because of the influences of history background, continents, words and living method, different nations generate

different thinking models. Surely, there is more than one thinking model of a nation, but one is more obvious compared with others. As a whole, east people, especially Chinese have strong comprehensive thinking, image thinking and curved thinking, while analytical thinking, abstract thinking and direct thinking are possessed by the west people.

Impact of Cultural Differences on International Business Negotiations

With the rapid development of economy, we need to do business with businessmen under different culture background, so in order to reach trade agreement, it is necessary for us to study the impact of culture differences on international negotiation in global business activities. The impact of culture differences on international negotiation is extensive and deeply. Different cultures divide the people into different group and they are also the obstacles of people's communication. Accordingly, it is required that the negotiator should accept the culture of each other. Furthermore, through culture differences, it is important that the negotiator reveal and understand the other party's goal and behavior and make him or herself be accepted by the opponent to reach agreement finally

Impact of Value Views Differences on International Business Negotiations

Value Views Differences on International Business Negotiations fall into three types: time view, negotiation style, thinking model. Each has big influences on business negotiation

1. 1 Impact of Time View Difference on Negotiation. The time view which affects the negotiator's behavior varies from east countries to west countries. The oriental or the Chinese

negotiators are usually cautious and patient. They need to go through the phrases of coming up with proposes, bringing up objections and ending the trade which takes a longer time.

And they hope to arrange rich time to go on a negotiation, thus knowing more about the opponent . They are good at long and continuous battle. While west people or we could say American people, consider time is precious. They tend to resolve problems swiftly. So, in business negotiation, American businessmen often complain about the delay and the lack of efficiency of negotiators from other countries, while these countries also make a complaint that the Americans lack patience. There is a popular saying among American negotiators and businessmen: It is prohibited to steal time.

That shows the time view of Americans. To them, time means money. The time view of Chinese is cyclic. They use long-term and systematic viewpoints to value the importance of the topic. A famous people classify the time view into two kinds: straight-line time view and cyclic time view. The former pay more attention to concentration and speed, and the later stress doing many things at one time. That they insist on different time view leads to different negotiating style and method. The American people represent the straight-line time view and they have a strong awareness of modern competition.

They look for speed and efficiency. So they value time badly and consider time as a special commodity whose value could be assessed. They often use minute to calculate time . They hope to reduce negotiation time at every phrase and want to complete the negotiation quickly. But the Chinese time view is cyclic and they place emphasis on unity. Moreover, it is necessary to

be punctual at negotiations. West people have a strong time view, if you don't comply with the appointment time, they may give you a punishment and they will regard you as unreliable and irresponsible person. Being late for negotiation will give the west businessmen opportunities to exert pressure on you, and then you will lose the status of being initiative.

Impact of Equality View Difference on Negotiation

America went through the bourgeoisie revolution of striving for the equality and freedom, so they take equality into their heart. Americans stick to equality and fairness in business, and hope that both could gain benefit. When introducing the topic or situation, the west people would like to use concrete method, particularly data.

Their negotiating method is that they will describe their viewpoint and propose at the beginning in order to get initiative. Under this principle, they would come up with a reasonable resolution which they think is very fair. In business relationship, the sellers from America regard the buyer as a counterpart. Americans are fairer than Japanese is sharing benefits. A lot of American managers think fair division of profits is more important than how much they could get. At this point, the east people are different. Because of the deeply influence of class view, they don't pay much attention to equality.

They usually adopt single-win strategy in business negotiations. When involving economic benefits they think much about their own benefits and profits and don't give so much attention to the benefit of their partners. The market economic system of developed countries is quite mature, so west countries take win-win strategy more in negotiation; basically, they could take the benefits of both into consideration.

Impact of Objectivity Difference on Negotiation

The objectivity in international business negotiation reflects the degree to which people treat any things. West people especially Americans have a strong objectivity on the understanding of issues. At negotiation table, Americans don't care much about relationship between people. They don't care if the status of the opponent is equal to theirs. They make decision based on facts and data, not people. The saying that public things use public ways is a reflection of American objectivity. Therefore, Americans emphasize that Businessmen should distinguish people and issues, what they are really interested in is the actual problems. But in the other parts of the world, it is impossible for them to distinguish people and issues.

Impact of Negotiating Style Differences on International Business Negotiations

The impacts of negotiating style differences on international business negotiation mainly exist in negotiating method and negotiating structure. Take the negotiation between America and China as a example, since the oriental care more about unity in thinking, they method they adopt in negotiation is from unity to parts, from the big to little, from the abstract to the concrete, that is to say they should each agreement on general terms, then begin to talk about the concrete terms.

And usually not until the end of the negotiation do they make compromise and promise based on all the items, and then to reach agreement. The west people are influenced by analytic thinking, so pay more attention to logical relations between things. They consider more about concrete things than integrity. And they tend discuss the concrete items at the beginning of

negotiation, so they often resolve the price, delivery and issuance respectively at first. And they may make compromise at every detail, so the final contract is the combination of many little agreements.

The negotiating structure is linked with cultures. Negotiating structure mostly refers to the number of the participants. In business negotiation, the foreign delegation is usually composed by 3-5 people, while the Chinese one could be more 15 people. The foreign negotiators not only need to negotiate with their counterparts but also need to discuss with related person in charge or the government. When making the final decisions, the Chinese negotiators often discuss the results repeatedly from the workers to the board to avoid being decided by a single person. That results from the influence of collectivism.

So they often said to their partners: Let us think about it. Let us discuss it. But the west negotiators could make the final decision without going back for discussion. That because their admire individualism and hard working. They have strong independence. They would carry on according to the best ways after knowing their goals. What's more, most west people think that they have the ability to deal with the negotiation situation on their own. And truly, they are brave enough to take responsibility.

Impact of Thinking Model Differences on International Business Negotiation

The thinking model of Chinese tends to be comprehensive, concrete and curved, while the Americans are usually analytic, abstract and straight-line. We Chinese are accustomed to talking about general principles at first and then move onto details. To Chinese negotiators, the core is the general

guideline, and the details are subject to the guideline. After figuring out the big picture, other problems are easier to resolve. It is the most obvious feature of Chinese negotiators. But west businessmen, especially Americans are likely to discuss the details first and try to avoid the principle.

They value details very much and think nothing about the unity. Accordingly, they want to discuss the details at the beginning of negotiation. They are direct and simple in negotiation. As a matter of fact, many facts show that General principles first have impact of constriction on the parts and details. For instance, our government insists on the principle that Hong Kong and Macao are undivided parts of China's territory. In the important diplomatic negotiations such as Entering into relationship with America, Hong Kong's and Macao's Coming back into their motherland.

It is under such principle that we established the tone of the negotiation and controlled the skeleton of the negotiation, thus we get the advantage and prompt the success of negotiation.

Coping Strategy of Negotiating across Cultures

The culture differences in cross-cultural communication have various impacts on operation of enterprises. These differences will influence negotiation and management of transnational operation; what's more, it may have bad effects on the harmonious relationship between our country and foreign countries. Maybe that will lead to the missing of market opportunities, the increase of trade cost and the low efficiency of company management. So, it is really necessary for us all to eliminate and avoid disadvantageous effects.

Making Preparations before Negotiation.

The negotiators must make good preparations if they want control the development of negotiation successfully in the complex situation. Only do they make good preparations can they make changes freely according to the situation of negotiation and avoid the happening of conflicts. Because the international business negotiation involves extensive aspects, more preparations are needed. The preparations often include the analysis of the negotiators themselves and the opponents; the constitution of negotiation group, elaborating the negotiating goal and strategy and going on imitation negotiation when necessary. When making preparations, you should try to know the opponents while you analyze yourselves. Analyzing yourselves mainly refers to studying if the project is feasible. To knowing about the opponents means understanding their strength such as credit status, the policy? business customs and regulations of their countries and the conditions of their negotiating members and so on.

Overcoming Cultural Prejudice

Tolerating different cultures and overcoming cultural prejudice contribute to better communicating with each other and understanding each other. West people often think that they are powerful, capable and experienced, so sometimes, we need to recognize them and give them some good comments. We should learn about the foreign cultures before negotiation and accept and understand their cultures in negotiation, because every country regard their own cultures as a matter of course and hope that their culture could be recognized and accepted.

Conquering Communication

Barriers Two trains running at different railways in the opposite direction will collide with each other; maybe this is the best arrangement for trains. But to communication between people, there won't be communications if people go ahead according to their own ways. Trains will collide with each other if they run on the same railway at the opposite direction. But if we measure by the objective of people's communication, only we meet each other, can we have communication and friendship. In negotiation, sometimes we can't make much progress although we have talked for long time.

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