

Discussion questions

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Discussion Questions III Culture has been referred to as the “ silent language of overseas business.” Discuss how the languages of time, space, things, friendship, and agreements influence negotiating styles in multinational and global markets.

Not all communication is verbal. Culture is referred to as the ‘ silent language of overseas business’ because it is a non-verbal form of communication but one that has a great depth of meaning and significance. Knowledge of cultural differences help global businesses to understand their markets and customers, and be more effective in dealing and negotiating tasks. The effectiveness depends on the strength of understanding and ability to influence and achieve.

“ Strategies for communication and influence need to be rooted in a detailed, context-specific understanding of both the behavioral patterns and the underlying cultural values of those with whom we want to engage.

Recognition of this is a vital first step for professionals... who want to exert influence upon and engage with others across the globe.” (Dr Mooij, 2009)

Negotiations are an important part of conducting business to arrive at mutually acceptable decisions or resolve issues where participants hold differences of opinion or objectives. But, “ operating across national cultures often magnifies negotiation problems” (Hendon, 1999, p. 16) due to differences in interpreting the subtle languages of time, space and other concepts. Apart from culture, the ability to negotiate is also affected by emotions, and body language is interpreted differently in different cultures.

Take the simple action of a friendly handshake for example. Like the Germans, Americans tend to shake hands forcefully, but “ in some parts of Europe a handshake is usually quick and to the point” (ibid, p. 70) and the

Asian handshake may be limp. Asians might interpret an American handshake as being “ too abrupt and heavy-handed” (ibid) whereas an American may consider the less firm handshake as a sign of being unassertive.

Spatial concepts dictate greeting rituals, the size of one’s personal ‘ comfort zone’, eye contact, acceptable seating arrangements, and so on, all of which differ between cultures. Concerning time, this is something that is followed more strictly in a fast paced country like America than it is in many other countries of the world. The typical western mode of thinking perceives the concept of time as linear and sequential rather than cyclic and simultaneous. Thus, the negotiating style for someone having the former perception is more likely to be characterized by strict schedules, one agenda at a time, “ specific, detailed and explicit communication” (LeBaron, 2003) etc.

Furthermore, “ the organization of most European and Japanese businesses and their mode of operation usually require considerably more time to negotiate than is the case in American firms.” (Hendon, 1999, p. 79) This extra time allowance must therefore be taken into account. Also, Asians would be more focused on strengthening the relationship between the parties than worrying about say the specifics of a contract, which are matters that can be deferred once friendship is forged and a general agreement is reached. It would be considered rude and a mistake in such circumstances for an American negotiating team to just fly over, expect to conduct a quick negotiation, sign on the dotted line and think of flying back immediately.

Thus, the negotiating style must be adapted to reflect the cultural background because it is all the more important to get things right first time

for the negotiation to be effective, which is after all the objective. Hindrances to the intended flow of ideas and points of communication must be avoided and “ other items that are likely to facilitate the process should be utilized effectively.” (ibid, p. 21)

2. Within the last decade, the European Union (EU) has emerged as powerful trading partner and a strong economic competitor for the United States. Yet, the EU does not represent a single culture. Identify and discuss some of the dominant cultural characteristics that prevail within the leading countries that make up the EU. What cross-cultural negotiating challenges arise as a result of these cultural differences?

The EU is a powerful trading bloc in Europe with a single currency and economic ties. However, it does not represent a single culture because it comprises of a host of countries each with their own language, history and culture.

In Geert Hofstede’s model, one of the distinguishing identified dimensions of national culture is termed power distance. This is “ the extent to which less powerful members of a society accept that power is distributed unequally” (Mooij, 2009). In this regard, Europe shows a divide. Apart from the UK, Germany, the Netherlands and the Scandinavian countries, other EU countries are dissimilar to the US in having high scores on power distance i. e. they are more likely to take unequal power distribution for granted. Again in terms of ‘ uncertainty avoidance’ it is a somewhat similar situation. The people of UK and Scandinavian countries, like Americans, feel less threatened by uncertainty. In respect of the value placed on achievement and success, the UK and Germany score highly whereas Scandinavia doesn’t in this case.

The quality that tends to characterize the whole of Europe more than others is being individualistic and the greater tendency for short-term thinking as opposed to long-term, which is the same for the US. On all these and other fronts though, the UK appears to have the greatest cultural affinity with the US, not least is the fact that they share the same language.

What this means for negotiations between European and US businesses then, is that it would be fairly straightforward to negotiate with UK businesses, and to a lesser extent in countries such as Germany, and in Scandinavia apart from the language barrier. But southern and eastern European countries are likely to pose the greatest challenges.

For a start, particularly in France and the UK, “ schooling and social class... quite often determine who conducts business.” (Hendon, , p. 95) Incidentally, the French are also quite proud of their language and culture and may be reluctant to negotiate in English. In this case, it could be unwise to try and make them do so. “ The French expect everyone to behave as they do when doing business” (ibid, p. 29) which can be quite demanding. They are also very formal and highly civil, so “ courtesy and respect is mandatory for success in France” (ibid, p. 31), and using first names would not be recommended for the French.

Cross-cultural negotiating challenges are apparent when contrasting cultural differences create opposing viewpoints. With regard to ‘ power distance’ for example, high power distance cultures favor hierarchical organizational structures and support clear authority figures, whereas low power distance countries favor more level structures and prefer exercising shared authority (LeBaron, 2003). This would therefore pose a negotiating challenge if devising a hierarchy and establishing authority in an organization.

References

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