



Chapter four

Cross-Cultural Communication and Negotiation

Instructor: MA. Nguyen Thi Phuong Linh

CROSS-CULTURAL COMMUNICATION AND NEGOTIATION

Chapter Objectives:

1. **DEFINE** communication; examine examples of verbal communication style; explain importance of message interpretation
2. **ANALYZE** common downward and upward communication flows of international communication
3. **EXAMINE** language, perception, culture of communication; nonverbal barriers to effective international communication
4. **PRESENT** steps to overcome international communication problems
5. **DEVELOP** approaches to international negotiations that respond to differences in culture
6. **REVIEW** negotiating and bargaining behaviors that can improve negotiations and outcomes

OVERALL COMMUNICATION PROCESS

Communication: The process of transferring meanings from sender to receiver.

- ✓ On surface appears straightforward
- ✓ However, a great many problems can result in failure to transfer meanings correctly

VERBAL COMMUNICATION STYLES

Context is information that surrounds a communication and helps convey the message

Context plays a key role in explaining many communication differences

✓ In the high context societies: Messages often highly coded and implicit (e.g., Japan, many Arab countries)

❓ The receiver's job is to interpret what the messages means by correctly filtering through what is being said and the way in which the message is being conveyed.

✓ In low context societies: Messages often explicit and speaker says precisely what s/he means (e.g., U.S. and Canada)

VERBAL COMMUNICATION STYLES

Indirect and Direct Styles

- **High-context cultures:** messages implicit and indirect; voice intonation, timing, facial expressions play important roles in conveying information
- **Low-context cultures:** people often meet only to accomplish objectives; tend to be direct and focused in communications
- One way of comparing two kinds of cultures is by finding out what types of questions are typically asked:
 - In high context culture: who will be at this meeting?
 - In low context culture: what is meeting going to be about?

VERBAL COMMUNICATION STYLES

Elaborate and Succinct Styles

- Three degrees of communication **quantity**—**elaborating, exacting, succinct**
- **Elaborating style** most popular in high- context cultures. There is a great deal of talking, description includes much detail, and people often repeat themselves (Arab countries)
- **Exacting style** more common in low-context, they focuses on precision and use of right amount of words to convey message (England, Germany and Sweden)
- **Succinct style** more common in high-context cultures where people say few words and allow understatements, pauses, and silence to convey meaning (Asia)

VERBAL COMMUNICATION STYLES

Contextual and Personal Styles

- **Contextual style** focuses on speaker and relationship of parties; often associated with high power distance, collective, high-context cultures (Asian culture – choose the words that indicate their status relative to the status of the other)
- **Personal style** focuses on speaker and reduction of barriers between parties; more popular in low-power-distance, individualistic, low-context cultures (US, Australia, Canada – it is common to use first name)

VERBAL COMMUNICATION STYLES

Affective and Instrumental Styles

- **Affective style** common in collective, high-context cultures; characterized by language requiring listener to note what is said/observe how message is presented; meaning often nonverbal; requires receiver to use intuitive skills to decipher message (Middle East, Latin America and Asia)
- **Instrumental style:** goal oriented, focuses on sender who clearly lets other know what she/he wants other to know; more commonly found in individualistic, low-context cultures (Switzerland, Denmark and US)

VERBAL STYLES USED IN 10 SELECT COUNTRIES

Table 7-2
Verbal Styles Used in 10 Select Countries

Country	Indirect vs. Direct	Elaborate vs. Succinct	Contextual vs. Personal	Affective vs. Instrumental
Australia	Direct	Exacting	Personal	Instrumental
Canada	Direct	Exacting	Personal	Instrumental
Denmark	Direct	Exacting	Personal	Instrumental
Egypt	Indirect	Elaborate	Contextual	Affective
England	Direct	Exacting	Personal	Instrumental
Japan	Indirect	Succinct	Contextual	Affective
Korea	Indirect	Succinct	Contextual	Affective
Saudi Arabia	Indirect	Elaborate	Contextual	Affective
Sweden	Direct	Exacting	Personal	Instrumental
United States	Direct	Exacting	Personal	Instrumental

Source: Anne Marie Francesco and Barry Allen Gold, *International Organizational Behavior: Text, Readings, Cases, and Skills*, 1st Edition © 1998. Electronically reproduced by permission of Pearson Education, Inc., Upper Saddle River, New Jersey.

COMMUNICATION FLOWS

Downward Communication

- Transmission of information from manager to subordinate
 - Primary purpose of manager-initiated communication is to convey orders/information
 - Managers use this channel for instructions and performance feedback (let the people know what is to be done and how well they are doing)
 - Communicating with subordinates can be both challenging and difficult, especially if the managers does not believe in the decision
 - Ray Skiba: “if you haven’t bought into it, your employees will be able to tell in the tone of your voice or your body language that you do no believe what are you doing”
- ☐ Give your employees ample time to digest

UPWARD COMMUNICATION

Upward Communication

- From subordinate to superior
- Purposes: provide feedback, ask questions, obtain assistance from higher-level management
- In recent years a call for more upward communication in U.S.
- In Japan, Hong Kong, Singapore upward communication has long been fact of life. Managers in these countries have extensively used suggestion systems and quality circles to get employee input and always are available to listen to their people's concern.
- Outside Asian countries, upward communication not as popular

COMMUNICATION FLOWS

Upward communication

Example of upward communication in Matsushita company:

Matsushita views employee recommendations as instrumental to making improvements on the shop floor and in the marketplace. [It believes] that a great many little people, paying attention each day to how to improve their jobs, can accomplish more than a whole headquarters full of production engineers and planners. Praise and positive reinforcement are an important part of the Matsushita philosophy. Approximately 90 percent of suggestions receive rewards; most only a few dollars per month, but the message is reinforced constantly: “Think about your job; develop yourself and help us improve the company.” The best suggestions receive company wide recognition and can earn substantial monetary rewards. Each year, many special awards are also given, including presidential prizes and various divisional honors.

SUGGESTIONS FOR COMMUNICATION

Harris and Moran have noted that when communicating downward with nonnative speakers, it is extremely important to use language that is easy to understand and allows the other person to ask questions. Here are 10 suggestions when communicate with nonnative speakers:

1. Use most common words with most common meanings
2. Select words with few alternative meanings
3. Strictly follow rules of grammar
4. Speak with clear breaks between words
5. Avoid using esoteric or culturally biased words
6. Avoid use of slang
7. Don't use words or expressions requiring listener to form mental images
8. Mimic cultural flavor of non-native speaker's language
9. Paraphrase and repeat basic ideas continually
10. At end, test how well other understand by asking him/her to paraphrase

COMMUNICATION BARRIERS



- language
- perception
- culture
- Nonverbal communication

COMMUNICATION BARRIERS

Language barriers

- Knowledge of the home country's language (the language used at the headquarter of the MNC) is important for personnel placed in a foreign assignment (Convey the wrong message)
- Written communication have been getting increased attention, poor writing is proving to be a greater barrier than poor talking

Cultural barriers

- The standard business communication practices were not specific is different between countries.
 - Many American writers are far more blunt and direct compared to Asians.
 - Example of writing business letter of complaint.

PERCEPTUAL BARRIERS

Perception: a person's view of reality. How people see reality can vary and will influence their judgement and decision.

- Misperceptions can become a barrier to effective communication and decision making.

Advertising Messages: countless advertising blunders when words are misinterpreted by others

How others see us: May be different than we think

- International Management in Action: “Doing it right the First time”

NONVERBAL COMMUNICATION

Nonverbal communication

- Transfer of meaning through means such as body language and use of physical space
- ❖ **Kinesics:** Study of communication through body movement and facial expression
 - Eye contact
 - Posture
 - Gestures

NONVERBAL COMMUNICATION

Proxemics: Study of way people use physical space to convey messages

- Intimate distance used for very confidential communications
- Personal distance used for talking with family/close friends
- Social distance used to handle most business transactions
- Public distance used when calling across room or giving talk to group

NONVERBAL COMMUNICATION

Chronemics: the way time is used in a culture.

Two types of time schedule:

- Monochronic time schedule: things done in linear fashion. A manager will address the issue A first then move on to issue B (US, Great Britain, Canada and Australia)
- Polychronic time schedule: people do several things at same time and place higher value on personal involvement than on getting things done on time. In these cultures, schedules are subordinated to personal relationships (Latin America, Middle East)

NONVERBAL COMMUNICATION

Chromatics: The use of color to communicate message

- ✓ Color that mean one thing in this country may mean something entirely different in countries.
- ✓ Example: in the US it is common to wear black when one is in mourning, while in some locations in India people wear white when they are in mourning.

COMMUNICATION EFFECTIVENESS

- **Improve feedback systems**

- Feedback is particularly important between parent companies and their affiliates.
- There are two types of feedback systems:
 - Personal (face to face meetings, telephone conversations, and personalized email)
 - Impersonal (reports, plans)

☐ Both systems help affiliates keep their home office aware of progress and, in turn, help the home office monitor and control affiliates performances as well as set goals and standards.

- **Provide Language training**

- Many host country managers cannot communicate well with their counterparts at headquarters

- **Provide Cultural training** - International Management in Action: “Communicating in Europe”

- **Increase Flexibility and cooperation**

Managing Cross Cultural Negotiations

Negotiation: Process of bargaining with one more parties at arrive at solution acceptable to all

Two types of negotiation:

- *Distributive* when two parties with opposing goals compete over set value
(Win-lose situation)
- *Integrative* when two groups integrate interests, create value, invest in the agreement (win-win scenario)

STEPS OF THE NEGOTIATION PROCESS:

1. Planning:

- Identifying the objectives they would like to attain.
- Then they explore the possible options for reaching these objectives (the greater of option the greater chances for successful negotiations)
- Consideration is given to areas of common ground between the parties.

2. Interpersonal relationship building

- Getting to know the people on the other side.

3. Exchange of task related information

- each group sets forth its position on the critical issues.

4. Persuasion – is the most important step.

5. Agreement

STEPS OF THE NEGOTIATION PROCESS:

Persuasion

How well the parties understand each other position.

The ability to create new options

The ability of each to identify areas of similarity and difference

The willingness to work toward a solution that allows all parties to walk away feeling they have achieved their objectives.

CULTURAL DIFFERENCES AFFECTING NEGOTIATIONS

It is important to understand the other side's culture. A number steps can help in this process of understanding:

1. Don't identify counterpart's home culture too quickly; common cues such as accent may be unreliable.
2. Beware of Western bias toward "doing". Ways of being, feeling, thinking, talking can shape relationships more powerfully than doing.
3. Counteract tendency to formulate simple, consistent, stable images.
4. Don't assume all aspects of culture are equally significant.
5. Recognize norms for interactions involving outsiders may differ from those for interactions between compatriots.
6. Don't overestimate familiarity with counterpart's culture.

NEGOTIATION TACTICS

Location

- Most businesses will choose a neutral site
 - Each parties have limit access to its home office
 - The cost staying at the site is quite high
 - Negotiators are motivated to reach some type of agreements.

Time limits

Buyer-seller relationship

Bargaining behaviors

- Use of extreme behaviors
- Promises, threats and other behaviors
- Nonverbal behaviors

REVIEW AND DISCUSS

1. How does explicit communication differ from implicit communication?
2. “He was laughing like hell.” “Don’t worry: It’s a piece of cake.” What are these expressions and what communication complications might they present?
3. How is nonverbal communication a barrier to effective communication?
4. Kinesics or proxemics? Which nonverbal communication barrier would be greatest for a U.S. company going abroad for the first time?
5. What might a U.S. based negotiator need to know about Japanese bargaining behaviors to strike a best possible deal?