

Chapter four

Cross-Cultural Communication and Negotiation

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CROSS-CULTURAL COMMUNICATION AND NEGOTIATION

Six 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

Opening case: Offshoring Culture and Communication

1. What is offshoring? What is the benefit from effectively managing offshoring?
2. What are four main cultural challenges that companies often face on offshoring certain operations?
3. What are tips for managing offshoring?
4. How is cross-culture communication affected by cultural differences?

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

Messages often highly coded and implicit in **high-context** society (e.g., Japan, many Arab countries)

Messages often explicit and speaker says precisely what s/he means in **low context** society (e.g., U.S. and Canada)

EXPLICIT AND IMPLICIT COMMUNICATION

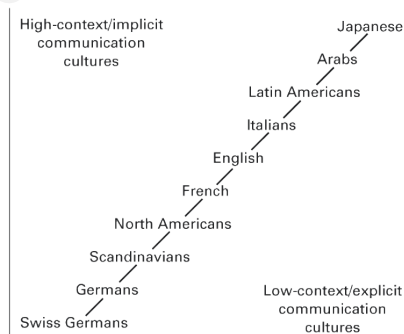


Figure 7-1
Explicit-Implicit
Communication:
An International
Comparison

Source: Adapted from Martin Rosch, "Communications: Focal Point of Culture," *Management International Review* 27, no. 4 (1987), p. 60. Used with permission.

MAJOR CHARACTERISTICS OF VERBAL STYLES

Table 7-1
Major Characteristics of Verbal Styles

Verbal Style	Major Variation	Interaction Focus and Content	Cultures in Which Characteristic Is Found
Indirect vs. direct	Indirect	Implicit messages	Collective, high context
	Direct	Explicit messages	Individualistic, low context
Succinct vs. elaborate	Elaborate	High quantity of talk	Moderate uncertainty avoidance, high context
	Exacting	Moderate amount of talk	Low uncertainty avoidance, low context
	Succinct	Low amount of talk	High uncertainty avoidance, high context
Contextual vs. personal	Contextual	Focus on the speaker and role relationships	High power distance, collective, high context
	Personal	Focus on the speaker and personal relationships	Low power distance, individualistic, low context
Affective vs. instrumental	Affective	Process-oriented and receiver-focused language	Collective, high context
	Instrumental	Goal-oriented and sender-focused language	Individualistic, low context

MAJOR CHARACTERISTICS OF VERBAL STYLES

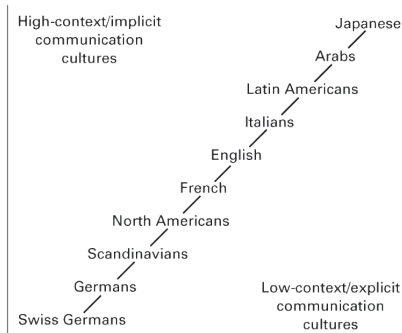


Figure 7-1
Explicit-Implicit Communication: An International Comparison

Source: Adapted from Martin Rosch, "Communications: Focal Point of Culture," *Management International Review* 27, no. 4 (1987), p. 60. Used with permission.

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

VERBAL COMMUNICATION STYLES

Elaborate and Succinct Styles

- Three degrees of communication **quantity**—**elaborating, exacting, succinct**
- **Elaborating style** most popular in high- context cultures with moderate degree of uncertainty avoidance
- **Exacting style** focuses on precision and use of right amount of words to convey message; more common in low-context, low-uncertainty-avoidance cultures
- **Succinct style** more common in high-context cultures with considerable uncertainty avoidance where people say few words and allow understatements, pauses, and silence to convey meaning.

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
- **Personal style** focuses on speaker and reduction of barriers between parties; more popular in low-power-distance, individualistic, low-context cultures

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
- **Instrumental style**: goal oriented, focuses on sender who clearly lets other know what s/he wants other to know; more commonly found in individualistic, low-context cultures

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
- Channel facilitates flow of information to those who need it for operational purposes

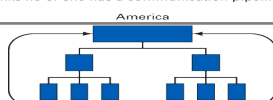
UPWARD COMMUNICATION

- From subordinate to superior
- Purposes: provide feedback, ask questions, obtain assistance
- 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
- Outside Asian countries, upward communication not as popular

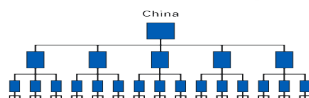
COMMUNICATION EPIGRAMS

There are a number of different "organization charts" that have been constructed to depict international organizations. An epigram is a poem or line of verse that is witty or satirical in nature. The following organization designs are epigrams that show how communication occurs in different countries. In examining them, remember that each contains considerable exaggeration and humor, but also some degree of truth.

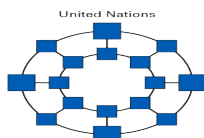
In America, everyone thinks he or she has a communication pipeline directly to the top.



There are so many people in China that organizations are monolithic structures characterized by copious levels of bureaucracy. All information flows through channels.



At the United Nations everyone is arranged in a circle so that no one is more powerful than anyone else. Those directly in front or behind are philosophically aligned, and those nearby form part of an international bloc.



In France some people in the hierarchy are not linked to anyone, indicating how haphazard the structure can be.

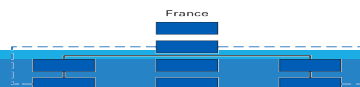


Figure 7-2
Communication Epigrams

SUGGESTIONS FOR COMMUNICATION

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 barriers

Cultural barriers

- Be careful not to use generalized statements about benefits, compensation, pay cycles, holidays, policies in worldwide communication
- Most of world uses metric system so include converted weights and measures in all communications
- Even in English-speaking countries, words may have different meanings.

COMMUNICATION BARRIERS (CONTINUED)

Cultural barriers (continued)

- Letterhead and paper sizes differ worldwide
- Dollars aren't unique to U.S. Also Australian, Bermudian, Canadian, Hong Kong, Taiwanese, and New Zealand dollars. Clarify which dollar.

PERCEPTUAL BARRIERS

Perception: a person's view of reality

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

How others see us: May be different than we think

COMMON FORMS OF NONVERBAL COMMUNICATION

Table 7-5
U.S. Proverbs Representing Cultural Values

Proverb	Cultural Value
A penny saved is a penny earned.	Thriftiness
Time is money.	Time thriftiness
Don't cry over spilt milk.	Practicality
Waste not, want not.	Frugality
Early to bed, early to rise, makes one healthy, wealthy, and wise.	Diligence; work ethic
A stitch in time saves nine.	Timeliness of action
If at first you don't succeed, try, try again.	Persistence; work ethic
Take care of today, and tomorrow will take care of itself.	Preparation for future

Source: Drawn from Nancy J. Adler, *International Dimensions of Organizational Behavior*, 2nd ed. (Boston: PWS-Kent Publishing, 1991), pp. 79–80.

NONVERBAL COMMUNICATION

Nonverbal communication

- Transfer of meaning through means such as body language and use of physical space
- **Chromatics**
 - Use of color to communicate messages
- **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:

- Monochronic time schedule: things done in linear fashion
- Polychronic time schedule: people do several things at same time and place higher value on personal involvement than on getting things done on time

PERSONAL SPACE IN U.S.

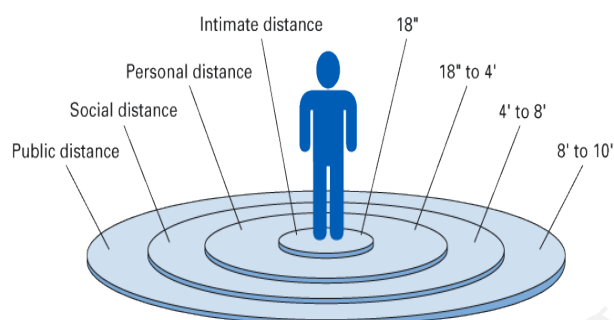


Figure 7-3

**Personal Space
Categories for Those in
the United States**

Source: Adapted from Richard M. Hodgetts and Donald F. Kuratko, *Management*, 2nd ed. (San Diego, CA: Harcourt Brace Jovanovich, 1991), p. 384.

COMMUNICATION EFFECTIVENESS

- **Improve feedback systems**
- **Language training**
- **Cultural training**
- **Flexibility and cooperation**

NEGOTIATING STYLES

Table 7-7
Negotiation Types and Characteristics

Characteristic	Distributive Negotiations	Integrative Negotiations
Objective	Claim maximum value	Create and claim value
Motivation	Individual-selfish benefit	Group-cooperative benefit
Interests	Divergent	Overlapping
Relationship	Short term	Long term
Outcome	Win-lose	Win-win

Source: Adapted from *Harvard Business Essentials: Negotiation* (Boston: Harvard Business School Press, 2003), pp. 2–6.

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
- *Integrative* when two groups integrate interests, create value, invest in the agreement (win-win scenario)

NEGOTIATION TYPES AND CHARACTERISTICS

Table 7-8

Negotiation Styles from a Cross-Cultural Perspective

Element	United States	Japanese	Arabians	Mexicans
Group composition	Marketing oriented	Function oriented	Committee of specialists	Friendship oriented
Number involved	2-3	4-7	4-6	2-3
Space orientation	Confrontational; competitive	Display harmonious relationship	Status	Close, friendly
Establishing rapport	Short period; direct to task	Longer period; until harmony	Long period; until trusted	Longer period; discuss family
Exchange of information	Documented; step by step; multimedia	Extensive; concentrate on receiving side	Less emphasis on technology, more on relationship	Less emphasis on technology, more on relationship
Persuasion tools	Time pressure; loss of saving/making money	Maintain relationship references; intergroup connections	Go-between; hospitality	Emphasis on family and on social concerns; goodwill measured in generations
Use of language	Open, direct, sense of urgency	Indirect, appreciative, cooperative	Flattery, emotional, religious	Respectful, gracious
First offer	Fair ± 5 to 10%	± 10 to 20%	± 20 to 50%	Fair
Second offer	Add to package; sweeten the deal	-5%	-10%	Add an incentive
Final offer package	Total package	Makes no further concessions	-25%	Total
Decision-making process	Top management team	Collective	Team makes recommendation	Senior manager and secretary
Decision maker	Top management team	Middle line with team consensus	Senior manager	Senior manager
Risk taking	Calculated personal responsibility	Low group responsibility	Religion based	Personally responsible

Source: Lillian H. Chaney and Jeanette S. Martin, *Intercultural Business Communication*, 3rd ed. Copyright © 2004. Reprinted by permission of Pearson Education, Inc. Upper Saddle River, NJ.

STEPS OF THE NEGOTIATION PROCESS:

1. Planning
2. Interpersonal relationship building
3. Exchange of task related information
4. Persuasion
5. Agreement

CULTURAL DIFFERENCES AFFECTING NEGOTIATIONS

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

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?