

Cultural Difference Effects on Business:

Holding up Sino-U.S. Business Negotiation as a Model

LES EFFETS DE LA DIFFERENCE CULTURELLE SUR LES AFFAIRES:

EN PRENANT LA NÉGOCIATION SINO-AMÉRICAINNE COMME UN MODÈLE

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Abstract: Cultural differences affect business negotiation deeply as a part of communication. In a globalizing world today, with international business happened frequently, cultural differences bring influence to communication, any misunderstanding of it may directly affect the business. Therefore, it makes sense for the countries of different cultural backgrounds to understand each other. With the entry into the 21st century and China's access to the WTO, Sino-U.S. trade and economy has developed rapidly, and it is necessary for the negotiators from two countries to understand the cultural differences and make full use of the beneficial strategies.

Key words: Cultural Difference; Sino-U.S. Business; Strategy

Resumé Les différences culturelles affectent profondément la négociation d'affaires dans le cadre de la communication. Dans un monde globalisé d'aujourd'hui, avec une fréquence croissante d'affaires internationales, les différences culturelles exercent une influence à la communication, et toutes sortes de malentendu peuvent affecter les affaires directement. Par conséquent, il est logique que les pays d'origine de différentes cultures doivent se comprendre mutuellement. Avec l'entrée dans le 21^{ème} siècle et l'accès de la Chine à l'OMC, les échanges économiques sino-américains se sont développés rapidement, et il est nécessaire que les négociateurs des deux pays comprennent les différences culturelles et utilisent pleinement les stratégies bénéfiques.

Mots-clés: Différence Culturelle; Affaires Sino-Américaines; Stratégie

DOI: 10.3968/j.ccc.1923670020110702.011

INTRODUCTION

With the development of the world economy and globalization, more and more international business frequently happened in different countries. As a result, business becomes more and more intercultural. Today, as an important part of intercultural communication, negotiation has received increasing attention. With the rapid development of globalization and China's prosperous economy day by day, especially with its success of holding the Olympic Games, China, the biggest developing country in the world, has become a major business partner of America. China and the United States, the two largest cultural groups and trading countries, will unavoidably encounter cultural differences. Today, as business relations between China and the United States grow, as well as the frequency of business negotiations among the people

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† Received March 29, 2011; accepted April 19, 2011

from those two countries. Under such circumstance, the business between China and the United States has developed in a rapid rate, more and more negotiations carried out between the two countries. The cultural differences bring not only the challenges, but also the opportunities to the trade between the two countries. This article focuses on the study of cultural differences between China and the United States. It provides the ways to deal with the Sino-U.S. cultural difference, which correctly appears in the negotiation process, thus giving some reasonable suggestions that enable the negotiation between two sides carry on smoothly.

Lisa Hope Pelled has pointed out in his theory: "Negotiation is a process of joint decision making among people with different preferences." A formal definition of negotiation is the research content of psychology, politics, which plays an important role in human cooperation actions. As an important form of communication, intercultural negotiation varies from culture to culture. The business negotiation process is generally more complex because cultural differences may influence effective communication.

1. PRESENT SITUATION OF SINO-U.S. BUSINESS NEGOTIATION

Since the bilateral business has happened more and more frequently, there is no doubt that international trades between those two countries attract worldwide attention. How to melt different cultural context between China and U.S. in the international business negotiations also learned by the two countries. Along with the frequency of Sino-U.S. business trade, some complex factors happened during the negotiation. As a result, the conflicts in the negotiation process between the two countries increasing intensely, becoming the main obstacles of economy and trade now.

Cultural difference is the foundation of cross-cultural business and it is the key point of Sino-U.S. negotiation. The Sino-U.S. cultural difference lies in the performance of the language and nonverbal communication. Because cultural differences affect on Sino-U.S. negotiation in all aspects, person with a lack of sensitivity often like to use their own cultural model as a basic method to evaluate other people's culture, ideas and customs. It is likely to lead to culture shock. Therefore, for Chinese and the Americans in business negotiations, it is necessary to strengthen the sensitivity of cultural differences.

2. THE ANALYSIS OF AFFECTING FACTORS

Verbal difference and non-verbal difference are covered in the affecting factors. Because of cultural differences, the same language in the U.S. and Chinese may cover the different connotations. China is a civilized country that is serious about the etiquette. There were many modest and self-abasement words admired in spoken language since ancient time. When received praise from others, Chinese people are generally modest. Another point in the business conversation is to use appellation to show respect to another in China. However, American people always advocate equality and they are more straightforward. For instance, in the work place, it is common that younger generation call the elder or even their boss's name. According to praise, the American will accept the praise immediately and show their thanks to them.

Referred to nonverbal communication, people may base their judgment on an evaluation of facial expressions, gestures, eye contact, greeting behavior, etc. In short, nonverbal signals are silent language symbols for the information exchange. Although nonverbal communication tends to enhance and support language, sometimes they may minimize or even contradict a language.

Besides, there are other cultural factors which affect Sino-U.S. business negotiation as well. Such as customs values, concept, etc. For example, "Custom is the great guide of human life." Knowing the customs of a country is prerequisite to understand the soul of that country and its people. As for values and concepts, we may find that China and U.S. hold different values due to the influence of different regions and political system. Chinese attach great importance to collectivism while the Americans praise individualism. On the other hand, Thinking is really influenced by culture and other elements. There is big difference on the way of thinking between China and America. For example, the Chinese's way of thinking is visual, intuitive and composite, while American's way of thinking is individual, nonfigurative and idiographic.

3. STRATEGIES FOR SINO-U.S. BUSINESS NEGOTIATION

As I illustrated above, we have found the cultural differences are really existed in the negotiation between the two countries with different cultural backgrounds. As a result, Great concentration should be made on the beneficial strategies for the Sino-U.S. business.

A. Accurate Language Strategy

In order to advance its national interest, China carries out practical policy to the outside world. Since language serves as an important tool in international communication, it is necessary for China to use it in an accurate way in Sino-U.S. negotiation. When negotiate with the U.S. counterpart, Chinese traders should adopt practical language strategy. That is, in the Sino-U.S. negotiation process, use language as accurate as possible, and show each part's opinion straightforward. When negotiators of both sides come across different ideas, it is wise to argue in a calm way. It is also important for Chinese businesspersons to avoid using such as "possibly", "perhaps" or other ambiguous words as reply to their American counterpart. At the same time, the expression should stress firmly without any reluctance of saying "no" when there is no agreement reached in the negotiation. It is important to tell opposite party our own manner and thought explicitly.

B. Win-Win Strategy

The negotiations should not be zero and gambling, but long process that both sides seek the common ground step by step until obtain a win-win result with double satisfaction. Win-Win situation is the successful outcome. Both sides feel that they have received a fair deal and walk away satisfied. So they will get chance to do business again in the future. In Sino-U.S. negotiation, both sides should fit into different negotiation phases, adjust the way of communication and try to consider the common interests. Since Americans regards negotiation as solving problems through "give and take" based on respective strengths. It is wise that China obtain win-win strategy with domestic development. As China develops rapidly and stead headway is made in China-U.S. cooperation, more and more Americans will understand and trusting with great interest in Sino-U.S. negotiation.

C. Harmonious Environment Strategy

Cultural environment can influence the way in which persons perceive and approach certain key elements in the negotiation process. Knowledge of these cultural differences may help negotiators to better understand and interpret their counterpart's negotiation behavior and find ways to bridge gaps. It is advisable that Chinese negotiators should first show their respect to the different culture and customs of their American counterparts, for example, U.S. negotiators tend to talk to the specific clause directly in negotiation process, so Chinese sides could put the clause at the beginning of the negotiation process to create a fair atmosphere. This will also give a hand to make American negotiators feel being respected, in return, they will also show expect to different behaviors in Chinese sides. Furthermore, understanding leads to trust, so both sides will achieve their outcome in such harmonious environment.

D. Time Efficiency Strategy

American does prefer speedy negotiations and get annoyed with too much extraneous socializing or postponement. They are used to cutting deals short just to save time. In America, negotiators usually make decision on the facts. They do not play favorites. On the other hand, decision-making process in China is usually ineffective. This is because most Chinese companies have bottom-up decision-making system, which involves many people in decision-making; they also like to socialize counterparts as basic courtesy. Knowing that culture difference, China should observe the principle of "business is business", take use of the time efficiently in the negotiation process.

CONCLUSION

With the rapid development of international business and intercultural communication, the China and the U.S. urgently need to understand cultural differences between them to carry out negotiation. The previous research in this article leads to some conclusions.

China and the U.S. are two countries with their own patterns in negotiation due to different cultural backgrounds, either pattern has its advantages and disadvantages. It is essential to show respect to each culture. At present, as powerful and

insidious force in communication, cultural difference often exists visibly or invisibly in intercultural business. As a result, conflicts and misunderstandings are unavoidable in international negotiation. As a professional negotiator, it is our contention to enhance sensitivity to cultural differences through the way of using accurate language, adopting win-win strategy, avoiding negative concept. It is believed that this article will have certain influence on negotiators and help Sino-U.S. business relationship develop in a more harmonious way.

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