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Cultural dimensions of negotiations
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'All experienced negotiators acknowledge that cultural differences between negotiators are an important and special factor in global deal making. A knowledge of the other side's culture allows a negotiator to communicate, to understand, to plan and to anticipate more effectively.'

<div align="right">Salacuse (2003)</div>

Salacuse (2003) suggests ten ways in which culture affects our negotiations. Each of the 10 factors he defines, which are based on renowned cultural theories, represents a continuum along which negotiating behaviour can be placed. He then goes on to define two negotiation types based on these factors. This model can be used to help us heighten our awareness of our negotiation style - how we conduct our negotiations - and to help us interpret the approach taken by other negotiators from different countries.

10 factors which affect negotiations

1. **Negotiating goal: Contract or Relationship?**

   Negotiators from different cultures interpret the deal-making process differently. For some the ultimate purpose of a negotiation is to arrive at a signed contract which strictly binds the parties involved. For others, the goal of the negotiation is not simply a signed contract but the forging of a relationship between the two sides: 'Although the written contract expresses the relationship, the essence of the deal is the relationship itself.' (Salcuse 2003 p60)

2. **Negotiating Attitude: Win/Lose or Win/Win?**

   When we enter a negotiation we need to know how our counterpart views the negotiation process. Is (s)he a negotiator who believes that negotiation is a process by which both parties gain (win/win), or a person who believes that one side wins and the other loses (win/lose)?

3. **Personal Style: Informal or Formal?**

   An informal style of negotiator would probably use first names, seek to develop a personal, friendly relationship, whereas a formal style of negotiator would prefer to use titles, avoid personal anecdotes, and refrain from talking about private/family life.

4. **Communication: Direct or Indirect?**

   Some cultures value a direct and explicit form of communication; others prefer a more indirect and implicit approach. The former will give clear and direct responses to questions or proposals. The latter will use more circumlocutions, figurative forms of speech and nonverbal cues. Reactions may well be understood by interpreting facial expression, gestures and indefinite comments.

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5. Sensitivity to time: High or Low?

Cultures value time differently. Negotiators from cultures which believe 'time is money' will be keen to get down to business as quickly as possible and to get the contract signed. Relationship building will be kept to a minimum. Other cultures, particularly those that regard the purpose of the negotiation as creating a relationship rather than simply signing a contract, will be keen to invest more time and energy in getting to know the other party and establishing a long-term relationship.

6. Emotionalism: High or Low?

Members of some cultures will show a great deal of emotion at the negotiating table. Negotiators from other countries will hide their feelings and emotions. Individual personality will, of course, also have a bearing on how much emotion is displayed.

7. Form of agreement: General or Specific?

Cultural factors also have a bearing on the form of agreement that parties prefer. Some cultures prefer a very detailed, comprehensive, written contract which leaves no room for ambiguity. Negotiators from other cultures may however prefer a more general contract. For these negotiators the essence of the deal is the relationship and trust that exists between the two parties. 'If unexpected circumstances arise, the parties should look to their relationship, not the contract, to solve the problem.' (Salacuse 2003, p66)

8. Building an agreement: Bottom up or Top Down?

Is negotiation inductive or deductive? Does it start from agreement on general principles and move towards specific details, or does it begin with an agreement on specifics (price, delivery times…) and then move to the overall contract?

9. Team organization: One leader or group consensus?

It is vital in any negotiation to know who has the authority to make a decision and how decisions are reached. In some parts of the world it is likely that there is one senior representative who has the complete authority to make decisions. In other parts of the world the team takes a more collective approach and there is a tendency towards consensus decision making.

10. Risk Taking: High or Low?

Certain cultures tend to avoid risk more than others. Negotiators who are risk averse require lots of detailed information, like to consult with other group members and often take a long time to make decisions. In contrast, in high risk cultures negotiators are often open to new ideas and approaches, are willing to share information and are ready to tolerate uncertainties.

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Task

1. Look at Salacuse's two different negotiation types and decide where you would place yourself for each of the ten traits he describes.

2. When you've completed the list discuss your choices with your partner. Compare and contrast your lists.

3. What do you think of the people you negotiate with? What kind of traits do they exhibit?

4. How might your selection affect the way you personally prepare to conduct negotiations in different cultural settings?

Trait	Type A Negotiator							Type B Negotiator
Goal	Contract	3	2	1	0	1	2	3	Relationship
Attitude	Win/Lose	3	2	1	0	1	2	3	Win/Win
Personal styles	Informal	3	2	1	0	1	2	3	Formal
Communications	Direct	3	2	1	0	1	2	3	Indirect
Time sensitivity	High	3	2	1	0	1	2	3	Low
Emotionalism	High	3	2	1	0	1	2	3	Low
Agreement form	Specific	3	2	1	0	1	2	3	General
Agreement build	Bottom-up	3	2	1	0	1	2	3	Top-down
Team organisation	One leader	3	2	1	0	1	2	3	Consensus
Risk-taking	High	3	2	1	0	1	2	3	Low

Based on 'Ten ways culture affects negotiations', *Making Global Deals,* Salacuse (2003)

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Cultural expectations in negotiation: CHECKLIST

Deeper Expectations

Negotiation objective	Is the ultimate goal of negotiation more a signed contract or a relationship between the two sides?
Fundamental view of negotiation process	Is negotiation a process through which both sides can gain, or through which one side gains and the other loses?
Social unit	Is it an individualistic or group-oriented culture?
Power/decision-making	Does the other side make decisions in an authoritarian fashion, with one key person? Is it a small group process? Is there a formal hierarchy involved? Is consensus required?
Implementation	How likely and expected is literal implementation of the agreement? Or is the deal merely a starting point for further negotiation?

Surface and Process Expectations

Team organization and representation	What level, type, and number of team members are expected?
Etiquette	Introductions, business cards, gifts, and socializing before substance of negotiation; expected deference, etc.
Formality level	How formally does a negotiator talk to others, use titles, dress, speak, and interact with other people?
Communication	Do negotiators place emphasis on direct and simple methods of communication, or do they rely on indirect and complex methods? Is persuasion, for example, fact-based and technical in nature, driven by deductive logic, argued from precedent, or a function of the status of the would-be persuader?
Emotional expression	Do negotiators show or hide their feelings; that is, do they exhibit a high or low degree of emotionalism?
Risk and uncertainty tolerance	Do participants have a high or low propensity to take risks and handle uncertainty while negotiating? In deals?
Sensitivity to time	How important is it to minimize the time spent negotiating? Do negotiators exhibit a high or low degree of importance and urgency? Many or few interruptions? Long or short time horizon?
Building an agreement	Does and agreement begin from general principles and proceed to specific items, or does it begin with agreement on specific and build 'up' to an overall deal?
Form of agreement	Do negotiators prefer detailed contracts or agreement on general principles?

Source: Lax, D,A. and Sebenius, J,K (2006), *3-D Negotiations*, Cambridge: Harvard Business School Press

Maintaining face

The concept of face

'By face is meant the universal desire to have one's ego recognised and taken account of, to have one's views heard, and to some extent accepted by others, or at least to have others accept one's right to hold them. It is a basic human need and is called **positive face**.

At the same time, there is another aspect to human ego needs. We all feel the need to be granted some degree of freedom of action, within the established constraints of social laws and conventions. This requirement, that our actions are not impeded, is called **negative face**. In each culture the kinds of face needs can be different, and so can the means by which face recognition is formalised in words and actions.'

Mulholland (1991)

Face work

Positive face the self-image a person wishes to have

Negative face a person's basic need to maintain territory and self-determination

Face-threatening acts (FTA) acts which threaten one of the interactant's face

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Typical features of positive politeness

Positive politeness means taking other people into consideration by showing interest in them, and doing everything possible to make them feel comfortable. It includes:

1. Playing down conflict/ disagreement: *Er, yes, I think you've raised a lot of key issues but I'm not sure that it's the best solution …* (when you disagree)

2. Claiming and stressing common ground: *Yes, I know that your organisation, like ours, is short of resources but …*

3. Laying the ground for cooperation or future FTAs through small talk which serves to bond the two parties.

4. Seeking agreement, being positive: *That's interesting* (when the idea is not particularly special)

5. Complimenting: *This is a really great building and you've got a great view of …*

Positive face threats (FTAs)
A speaker threatens the hearer's positive face by appearing to pay little heed to the hearer's right to self-esteem, as in:

a) acts like *accuse, criticise, disapprove, insult or reprimand*;

b) acts like *challenge, disagree or reject*;

c) interruption of a turn, and not giving signs of active listening;

d) forgetting the hearer's name, opinions, and so on;

e) raising subjects, or speaking in a manner, that would embarrass or annoy the hearer;

f) raising subjects, or speaking in a manner, that would divide the others from the hearer, perhaps even isolating him or her from the rest;

g) creating an unfriendly, uncooperative atmosphere while the hearer is speaking, or while the hearer is responsible for some part of the event.

<div align="right">Mulholland (1991)</div>

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Typical features of negative politeness

Negative politeness basically means taking other people into consideration by not intruding upon them, or restricting them in any way. Here are some examples of this kind of politeness.

1. Allowing the speaker to avoid the imposition by using indirect requests: *I was just wondering if it might be possible for you to …*

2. Hedging in order to reduce the imposition by

    a) reducing the power of the act: ***There is some evidence*** *that suggests …*
    b) reducing the importance of the thing requested: *Could you give us **a rough idea** of just how much this might cost?*

3. Apologising when requesting: *I know that this is rather inconvenient but …*

4. Acknowledging their status and position by showing deference: addressing formally (Dr, Sir)

Negative face threats (FTAs)
The hearer's negative face is threatened when the speaker intrudes upon his or her freedom of action, restricting it in some way, and thus treating it with disrespect:

a) acts like *request* (probably the most face-threatening in its various forms, which can be as severe as *command or order*), and *require*, which put pressure on the hearer to do something he or she may not want to do;

b) acts like *advise or suggest*, which are less strong than request, but which nonetheless put pressure on the hearer to take the advice or follow the suggestion;

c) acts like *remind*, when they imply that the hearer has forgotten something and is an indication that the hearer should do something;

d) acts like *warn* which, in one sense, imply that the speaker will take action in the future to inhibit the hearer's freedom.

<div align="right">Mulholland (1991)</div>

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Laundering language to maintain face

In business meetings and negotiations in many cultures it's not wise to say exactly what we think. We need to express things more tactfully, to make a point firmly but politely. We can often rephrase a confrontational statement in order to play down the conflict and maintain face.

Direct: *More tactful:*
We can't accept that.   Unfortunately, we would be unable to accept that.

Look at the following direct remarks and match them with a more diplomatic expression.

Direct remark		Less direct / More tactful	
1.	I'm amazed that you expect us to cover the costs.	a.	I'm not completely satisfied with this.
2.	We are unhappy with this.	b.	Actually, we were hoping for a slightly more substantial discount.
3.	You said that you'd get them to us by the end of the month	c.	We would really find this rather difficult to agree to.
4.	I'm dissatisfied with this.	d.	We would need some kind of guarantee.
5.	We need a guarantee.	e.	I'm afraid we're not very happy with this.
6.	We really can't accept it.	f.	I was quite surprised that you expect us to cover the costs.
7.	We want a larger discount.	g.	Perhaps we didn't make our position clear.
8.	You've misunderstood.	h.	We understood that you'd deliver them by the end of the month.

Practice

How would you make the following rather blunt remarks more tactful.

1. That's a bad idea. (might / not very)
2. I can't accept your proposal. (afraid / unable)
3. There will be an extra charge. (unfortunately / may / slight)
4. You said the parts would reach us by the end of the week. (understood)
5. I'm very unhappy about this. (sorry / not very)

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