

# Research on Differences of China-American Negotiation Practice Under Cultural Background

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**Abstract.** The study initiates by examining the cultural disparities existing between China and the United States, recognizing the paramount significance of comprehending cross-cultural negotiation dynamics within the framework of globalization. Three fundamental cultural dimensions are scrutinized: high-context versus low-context communication, individualism versus collectivism, and polychronic versus monochronic time orientations. Leveraging these cultural distinctions, the author furnishes practical recommendations for negotiating strategies. These encompass efficacious approaches for conducting competitive dialogues between the two nations and advocating for interest-based negotiations over positional bargaining. The overarching goal of this research is to align with contemporary trends and integrate insights from experienced negotiators to facilitate smoother business negotiations and diplomatic dialogues between China and the United States. This study contributes to the growing body of literature on cross-cultural negotiation by offering nuanced insights into the cultural nuances that influence negotiation dynamics between China and the United States. By emphasizing the importance of understanding cultural differences, the research provides a framework for negotiators to navigate complex intercultural interactions effectively. Furthermore, the recommendations proposed in the study are grounded in both theoretical frameworks and practical considerations, thereby enhancing their applicability in real-world negotiation scenarios. As globalization continues to shape international business and diplomatic relations, the findings of this study offer valuable guidance for negotiators seeking to bridge cultural divides and achieve mutually beneficial outcomes in negotiations between China and the United States.

**Keywords:** Culture; Intercultural Negotiations; Distributive Negotiations; Interest-Based Bargaining.

## 1. Introduction

### 1.1. Research Background

In the twenty-first century, the trend associated with globalization and the promotion of global economic transparency has played a significant role in the rise of international communication [1]. It has been growing increasingly widespread for supervisors, staff members, and individuals worldwide to be obliged to participate in cross-cultural discussion as the cultural diversity of working settings continues to grow [2]. In negotiations, the ultimate goal is to reach a deal. Although there seems to be an overwhelming passion for expanded global involvement and trading between countries, individuals commonly face several challenges in negotiations owing to the divergent views and behaviors stemming from diverse cultural origins. These impediments are highly probable to result in the dissolution of agreements or the collapse of alliances. Hence, comprehending the cultural disparities in negotiations across various cultural contexts may assist individuals in surmounting intercultural communication obstacles and attaining superior negotiating outcomes.

Based on the topic of this article, the author has read a large number of papers, summarizing the definitions and interpretations of several concepts such as negotiation, culture, and intercultural negotiations as presented by prominent experts.



## **1.2. Literature Review**

Negotiation: Garcha indicates that communication between actors (states) with the objective of reaching a solution that is acceptable to both parties on a particular matter of concern constitutes the process of negotiation [3]. Caputo further stated that negotiation is a strategic engagement between multiple organizations that have conflicting interests, with the goal of achieving a mutually beneficial outcome through collaborative decision-making [2]. Bangert & Pirzada pointed out succinctly that there are generally three components that jointly make up the negotiation process: predisposing circumstances, the procedure, and the result. Negotiation is a procedure that involves the art of communication, and the outcome is determined by scientific principles [4]. Gilsdorf, J.W. directly pointed out the challenges of negotiation: The attainment of favorable outcomes via negotiation is often regarded as one of the toughest obstacles that an organization must confront in terms of the communication activities that it engages in [5].

Culture: When it comes to interaction, cultural background serves as the cornerstone. Furthermore, since cultures diverge, communication techniques also differ. Imagine a scenario where shared information is scarce, a limited number of similar values, and a language barrier exists. In this case, readers can witness the complex processes of negotiating transactions across borders [6]. Garcha further noted the importance of culture: One of the most important aspects of negotiating is culture. It has a significant effect on the selection of skilled negotiators, how they behave, their approaches, and, eventually, the manner in which negotiations occur. A direct influence from cultural variables may even be exerted on the results [3]. Tu defined culture through his research: A typical definition of culture describes it as a collection of ideas and values that are held in common by a group of people and that determine their behavior in terms of nationality, ethnicity, morality, and other related concepts [7]. Simintiras & Thomas's viewpoint is that culture is a set of accepted values and standards that affect the way individuals think, emotions, and reactions [8]. Barbash & Taylor summary evaluation culture: As a result of the reality that sub-cultures, cultures, and super-cultures are combining and developing while being less constrained than in the past, the concept of culture is more open and diverse than it was throughout the past [9].

Intercultural negotiations: The notion of cross-cultural negotiation is drawn from the aforementioned discussion on negotiation and culture. The concept is particularly prevalent in the contemporary day, as individuals no longer confine themselves to talks inside their own nation and culture, instead preferring to engage with those from different backgrounds. Mintu-Wimsatt & Gassenheimer summarize that There are a variety of elements that contribute to the complexity of cross-cultural discussions. These aspects include those that correspond to the surroundings, spoken language, faith, and traditions [10]. All of these aspects are encompassed within cultural considerations, highlighting the significance of cultural comprehension in a negotiation. So Gulbro & Herbig concluded research: Due to the greater level of expertise necessary to engage in such discussions, innumerable negotiators struggle to achieve consensus due to the complexities associated with surmounting cultural gaps rather than economic or legally complicated issues [11].

## **1.3. Research Framework**

The majority of papers examine how cultural variations among nations affect negotiation methods, but very few academics offer guidance on these differences to increase the likelihood of successful bargains. As a result, the author hopes to use the Chinese-American negotiation model as an example, compare the variations in negotiation methods between the two due to cultural influences, and provide helpful negotiation strategies, such as how Chinese and American negotiators deal with distributive negotiations, as well as how to negotiate and achieve bargaining based on interests rather than positions.

## **2. Description of the Negotiation Style of China and American**

The traditions of Confucianism, Taoism, and Buddhism have all contributed to the development of Chinese culture. In simplistic terms, Confucianism is concerned with interpersonal interactions, Taoism is focused on maintaining balance with nature, and Buddhism is interested in the eternal world of human beings. Rather than being considered religions, Confucianism, Taoism, and Buddhism are deemed to be philosophies by the Chinese [12]. This notion fosters the idea of people adhering to the group, governing their emotions, staying away from competitiveness and conflict, and upholding harmony [13].

Individualism is a guiding principle for most Americans, who want to believe in themselves and others as totally apart from the rest of society. They exhibit a competitive demeanor during negotiations, regardless of whether they begin with an unattainable offer but bring a backup position to the table. Furthermore, they possess qualities of vitality, assurance, and perseverance. They derive pleasure from arguing their positions and possess a universal standpoint, as demonstrated by their fondness for discussing the broad spectrum of ideas. It should come as no surprise that they are honest and straightforward when delivering their unfavorable assessments [6].

Based on his prior qualitative and phenomenological research, Hofstede presented his key theory of four cultural dimensions with the intention of assisting individuals in distinguishing the many cultural distinctions that exist between nations. This theory identifies four key cultural distinctions. These differences include power, uncertainty/avoidance, features of collectivism, and masculinity/femininity. In order to differentiate between Chinese and Western cultural values, the latter added a fifth dimension to the cultural dimension model, which they referred to as “Confucian dynamism” [1]. According to this traditional idea, regardless of the fact that the times are always changing, the 21st century has arrived, and society and negotiating techniques are always updated and refined. They have, for the most part, not gone beyond these five dimensions.

## **3. Comparative Negotiation Style of China and American**

### **3.1. Difference Identified Negotiation Style of China and American**

Please allow the author to use a practical case to introduce the differences between Chinese and American cultures.

In 2014, there were climate change agreements between China and the United States. China has embraced a stance rooted in a strategic and stable approach for this negotiation. China prioritizes the notion of historical responsibility and asserts that developed nations should shoulder a higher share of responsibilities and obligations while developing countries should be afforded more opportunities for growth. The United States prioritizes pragmatic and immediate outcomes in talks. Their focus lies on highlighting scientific data and technical solutions, with the aim of promoting tangible and implementable policies for climate change mitigation. Hence, during climate discussions, the United States often highlights the necessity for all nations to assume accountability and underscores the significance of openness and certification systems.

#### **3.1.1. High-Context Countries and Low-Context Countries**

Interpersonal, socialist, instinctive, and thoughtful are characteristics of high-context civilizations such as China. This indicates that individuals in these cultures place a strong emphasis on their interactions with one another. Establishing trustworthy status is a crucial initial stage in every commercial deal. The significance of words is overshadowed by the context in which they are used, encompassing factors like the speaker’s intonation, facial expressions, gestures, and body language. Additionally, even the individual’s familial background and social standing may contribute to the overall context. High-context communication is characterized by a greater degree of indirectness and formality. Florid expressions, modesty, and intricate apologies are customary. American cultures are characterized by being low-context, which means they prioritize rationality, linearity, individualism,

and action. Individuals originating from low-context cultures prioritize rationality, empirical evidence, and straightforwardness. To solve an issue, one must systematically arrange the facts and assess each one sequentially. Decisions are made by relying on factual evidence rather than relying on intuition. Engaging in discussions often results in the initiation of activities. Communicators are required to be direct, succinct, and effective in conveying the desired course of action. Just like the 2014 China-American climate change negotiations mentioned above, the United States prefers to emphasize scientific evidence and technological solutions and hopes to promote climate change mitigation through specific and operational measures. They make a deliberate effort to employ accurate terminology and want it to be interpreted in a literal sense. Explicit contracts bring talks to a close. People who communicate in high-context cultures rely less on language clarity or legal papers, making this situation markedly distinct. Business professionals who rely heavily on implicit communication may have reservations about formal contracts and may feel insulted by the implication that trust is lacking [6].

As a result, it is possible that American negotiators would misunderstand Chinese euphemisms and implicit statements as not being straightforward or frank during commercial talks. On the other hand, Chinese negotiators may consider American unambiguous language to be insulting or disrespectful.

### **3.1.2. Individual Culturalism and Collective Culturalism**

Collectivist cultures employ techniques such as tolerance, compromising, and preventing, whereas individualist cultures employ negotiating styles such as demanding, compromising, and sharing information. Evidence suggests that the United States is typical of individualistic civilizations which place a premium on self-sufficiency. Collectivist cultures, such as Chinese societies, place significant importance on alignment and conventional wisdom [14].

In summary, Chinese culture places great importance on collectivism and traditional values, including reverence for the elderly, a strong focus on family, and the cultivation of trust relationships. In contrast, American culture lays a greater focus on individuality and contemporary principles, such as individual rights and freedom of choice. Chinese negotiators may place a greater emphasis on collaboration and interpersonal interactions during corporate talks, whereas American negotiators will place a greater emphasis on personal interests and their ability to maximize efficiency. This results in disparities in the ways in which decisions are made, the methods used in negotiations, and the allocation of power.

### **3.1.3. Differences In Time Concepts**

Negotiators from cultural backgrounds that are polychronic exhibit a tendency to commence and conclude meetings at adaptable intervals, take breaks as deemed suitable, display comfort with a substantial influx of information, anticipate the ability to comprehend each other's thoughts and intentions, occasionally engage in simultaneous conversation, and regard meeting commencements as flexible without taking tardiness as a personal offense.

When it comes to negotiations, those who come from monochronic cultures tend to favor prompt starts and ends, arrange breaks, handle one agenda item at a time, and rely on communication that is particular, comprehensive, and clear, which means discussion in order, and consider tardiness as a sign of disrespect or a lack of respect [15].

In conclusion, Within the context of Chinese culture, the idea of time is relatively malleable and emphasizes gradual and consistent growth. In contrast, American society places great importance on the efficient and precise use of time. Chinese negotiators often exhibit a higher level of patience and flexibility in corporate negotiations since they want to achieve their objectives via thorough conversations and several rounds of negotiations. In contrast, American negotiators prioritize expeditious decision-making and efficient execution.

### **3.2. Problem Identified**

In light of the preceding study and characterization of the distinct negotiation styles exhibited by China and the United States, the author will subsequently extrapolate this divergence to actual negotiating techniques in section 3.2. China and the United States also have divergent priorities and disparities in the implementation of these tangible strategies.

#### **3.2.1. Problem on Deal with Distributive Negotiations**

Style: Chinese negotiators may avoid embarrassment and damage to personal relationships by resorting to subtlety and indirection when they're up against it. They could employ clues or metaphors to communicate their message instead of stating their opinion explicitly. However, tread carefully while dealing with their dishonest propositions.

Americans, on the other hand, may be franker in stating their wants and opinions, and they may be more attentive to arguments based on logic and facts while negotiating. Be wary of their bluff, however.

Best goals: Rather than concentrating on the short-term gains from a deal, Chinese negotiators put first building deep connections and planning for the future. So, Chinese officials might be more likely to set the best goal of long-term close cooperation and win-win outcomes to build a strong working relationship and make sure there are chances to work together in the future. Achieving one's goals and one's own personal best are highly valued in American society. Thus, American negotiators might stick to the objective of maximizing the interests of people or organizations, emphasizing short-term gains and personal accomplishments, without much concern for establishing a strong connection.

BATNA: In China, negotiators often concentrate on maintaining confidentiality during talks and refrain from revealing their most favorable options. They may use caution in revealing facts throughout the negotiating process to guarantee the best possible outcome for their interests. However, in the United States, negotiators tend to exhibit greater openness and transparency and are often more inclined to reveal their Best Alternative to a Negotiated Agreement (BATNA), as well as provide information and maintain communication throughout the negotiation process.

#### **3.2.2. Problem on Achieve Bargaining Based on Interests Rather than Positions**

Profound collaboration and thorough communication are crucial elements of bargains based on mutual interests. Currently, American negotiators may struggle to excel in this area due to their logical, rigid, and goal-focused negotiating approach. It's important to be tough on the issue but gentle with the person when negotiating. Nevertheless, American negotiators sometimes struggle to comprehend the underlying interests and demands of Chinese negotiators due to their subconscious, more reserved, and non-verbal negotiation style. Consequently, American negotiators may only scratch the surface of their counterparts' views.

### **4. Suggestions**

Western-style negotiation—one that emphasizes problem-solving and linear communication—tends to take precedence in international corporate culture generally. The author aims to provide recommendations taken from China's standpoint in the following paragraphs. These recommendations may assist American negotiators in attaining more advantageous outcomes while going through negotiations with China.

#### **4.1. Prepare for Lengthy Negotiations and Social Networking**

American negotiators must anticipate engaging in protracted conversations with China, which may last up to six months. Due to the fact that the Chinese tend to pursue long-term interests, it is necessary for them to analyze each and every provision of the negotiation and the final contract many times. During this stage, Chinese negotiators often incorporate socializing into their bargaining process, which may involve obligatory drinks and meals. American negotiators may feel a little uncomfortable

and unaccustomed to this practice. However, by cultivating strong relationships with Chinese negotiators through these social activities, American negotiators might potentially acquire valuable resources.

#### **4.2. Try to be More Emotional**

Being more emotional does not imply exhibiting a disproportionate amount of care and attention toward the Chinese negotiators themselves; proximity that is excessively close to might also cause people to feel uncomfortable or even offended. Instead, while discussing issues, endeavor to employ less authoritative and excessively prescriptive language. The use of straightforward language and idioms will create a cold and tense atmosphere at the bargaining table. Chinese negotiators will face more challenges in effectively communicating their profound interests and requirements, potentially resulting in the inability to achieve the optimal accord or possibly the complete collapse of discussions.

### **5. Conclusion**

In the contemporary era of globalization, cultural factors exert a significant influence on both work environments and daily life. To elucidate the fundamental disparities between Chinese and American cultures, the author examines a pertinent case study: the climate negotiation between China and America.

Chinese culture, characterized as high-context, emphasizes nuanced interpersonal interactions to foster connections. Individuals in China communicate through subtle cues such as facial expressions, gestures, and body language, employing an indirect and intricate communication style. Furthermore, as a collectivist society, China prioritizes collaboration and communal interactions, contrasting with individualistic cultures. Additionally, China's perception of time is influenced by its multi-temporal cultural heritage, resulting in a flexible approach to time management.

In contrast, the United States embodies a low-context culture, emphasizing explicit and direct communication. Known for its individualism, American culture places importance on personal accomplishments and autonomy. Moreover, the United States adopts a single temporal culture, valuing linear and punctual time management. Interpersonal communication in the United States prioritizes efficiency and personal interests, emphasizing the optimal utilization of time.

Drawing from these cultural disparities, the author proposes three negotiation strategies tailored to cross-cultural contexts. These strategies aim to enhance understanding and facilitate successful outcomes in negotiations, including political dialogues and corporate discussions, between entities from both nations.

However, the study's limitation lies in its reliance on a single instance for analysis, which may not capture the full complexity of cross-cultural negotiations. Future research endeavors should aim to present more intricate case studies and delve into deeper discussions. Additionally, the author suggests adopting a questionnaire-based approach and incorporating data analysis to ensure more objective study results.

In conclusion, this study underscores the profound influence of cultural variables on negotiation dynamics between China and the United States. By acknowledging and navigating these cultural nuances, negotiators can foster mutual understanding and enhance the effectiveness of cross-cultural negotiations in various domains.

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