

THREE EXAMPLES OF "CULTURAL BAGGAGE"

A US example

Graham and Herberger⁸ describe a combination of characteristics typical of American negotiators. They are part of the cultural baggage such nationals bring to the negotiating table and, according to Graham and Herberger, typify the American "John Wayne" style of negotiating.

"I can go it alone."	Many US executives seem to believe they can handle any negotiating situation by themselves, and they are outnumbered in most negotiating situations.
"Just call me John."	Americans value informality and equality in human relations. They try to make people feel comfortable by playing down status distinctions.
"Pardon my French."	Americans aren't very talented at speaking foreign languages.
"Check with the home office."	American negotiators get upset when, halfway through a negotiation, the other side says "I'll have to check with the home office." The implication is that the decision-makers are not present.
"Get to the point."	American negotiators prefer to come directly to the point, getting to the heart of the matter quickly.
"Lay your cards on the table."	Americans expect honest information at the bargaining table.
"Don't just sit there, speak up."	Americans don't deal well with silence during negotiations.
"Don't take no for an answer."	Persistence is highly valued by Americans, and is part of the deeply ingrained competitive spirit that manifests itself in every aspect of American life.
"One thing at a time."	Americans usually attack a complex negotiation task sequentially; that is, they separate the issues and settle them one at a time.
"A deal is a deal."	When Americans make an agreement and give their word, they expect to honor the agreement no matter the circumstances.
"I am what I am."	Few Americans take pride in changing their minds, even in difficult circumstances.

These comments on American negotiators may appear to be harsh. They are not intended to isolate Americans as lacking in global negotiating skills. In today's marketplace, other nationalities can learn, as well as Americans, how to negotiate more effectively and skillfully.

A European example

A German-Swiss buyer of goods is visiting a Chinese entrepreneur, trying to close a contract. The Chinese sits inscrutably while the Swiss expounds his detailed proposal. The

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Swiss finishes his speech, a bit nervous at receiving so little feedback. Finally, the Chinese speaks: "This is not good for us." And then: "Let me take you for dinner."⁹

According to the German-Swiss, the relationship may be in trouble, but the Chinese, in fact, may be keenly interested and wants to strengthen the relationship with a social event.

In Exhibit 4.1, Acuff¹⁰ is not complimentary in his report card on American negotiators' skills.

We hope, as our horizons are widened by the global experience, that we are getting better at understanding the national character of our negotiating counterparts, confronting cultural stereotypes, and putting the negotiating process into a cultural context.

An example from any country: a case of failure¹¹

This person is a successful businessperson who is much admired by colleagues for the ability to negotiate difficult deals. Frank, open, and uncompromising manner has earned this person a great deal of respect at the bargaining table. Last year, this person was sent by his corporation to Japan to negotiate an important contract. This person was confident of success, as both sides had already agreed on many important points.

The contract did not get signed, and this person believed that Japanese business culture is the most frustrating one ever encountered.

EXHIBIT 4.1 THE US NEGOTIATOR'S GLOBAL REPORT CARD

Competency	Grade
Preparation	B-
Synergistic approach (win-win)	D
Cultural IQ	D
Adapting the negotiating process to the host country environment	D
Patience	D
Listening	F
Linguistic abilities	C
Using language that is simple and accessible	B+
High aspirations	A-
Personal integrity	D
Building solid relationships	

Source: Adapted from Acuff, F. L. *How to Negotiate with Anyone Anywhere around the World*. New York: Amacom, 1993, Exhibit B.1, p. 192.

EXHIBIT
4.1

NEGOTIATING ACROSS CULTURES

Negotiation is a process in which two or more entities come together to discuss common and conflicting interests in order to reach an agreement of mutual benefit. In international business negotiations, the negotiation process differs from culture to culture in language, cultural conditioning, negotiating styles, approaches to problem-solving, and building trust among many other factors.

National character

Studies of national character call attention to both the patterns of personality that negotiators tend to exhibit and the collective concerns that give a nation a distinctive outlook in international relationships. Foreign negotiators concerned with international image may be preoccupied with discussions of their national heritage, identity, and language. Cultural attitudes, such as ethnocentrism or xenophobia, may influence the tone of the argument.

Foreign negotiators often display many different styles of logic and reasoning. They frequently find that discussions are impeded because the two sides seem to be pursuing different paths of logic. Negotiation breakdown may result from the way issues are conceptualized, the way evidence and new information are used, or the way one point seems to lead to the next.

During the discussions, the foreign counterpart may pay more attention to some arguments than to others. Greater weight may be given to legal precedence, expert opinion, technical data, amity, or reciprocal advantage. A good international negotiator will discover what is persuasive to the foreign counterpart and use that method of persuasion.

Negotiators may place different values on agreements and hold different assumptions about the way contracts should be honored. The negotiator must find out what steps the counterpart intends to take in implementing the agreement. A signature on a piece of paper or a handshake may signify friendship rather than the closing of a contract.

Cross-cultural noise

Noise consists of background distractions that have nothing to do with the substance of the foreign negotiator's message. Factors such as gestures, personal proximity, and office surroundings may unintentionally interfere with communication. The danger of misinterpretation of messages necessitates analysis of various contextual factors.

Interpreters and translators

There are limitations in translating certain ideas, concepts, meanings, and nuances. Subjective meaning may not come across through words alone. Gestures, tone of voice, cadence, and

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double entendres are all meant to transmit a message. Yet these are not included in a translation.

Sometimes a negotiator will try to communicate a concept or idea that does not exist in the counterpart's culture. For example, the American and English concept of "fair play" seems to have no exact equivalent in any other language. How, then, can an English national expect "fair play" from a foreign counterpart?

Interpreters and translators may have difficulty transmitting the logic of key arguments. This is especially true in discussions of abstract concepts such as planning and international strategy. The parties may think they have come to an agreement when, in fact, they have entirely different intentions and understandings.

Fisher's five-part framework provides scholars and consultants with a launching pad for both theory building and practical applications. Two working papers, "Assess, Don't Assume, Part 1: Etiquette and Material Culture in Negotiation" and "Assess, Part II: Cross-Border Differences in Decision-making, Governance, and Political Economy," are also excellent in identifying the cultural variables in global negotiations.¹²

In Chapter 2 we covered some of the complexities in communicating effectively across geographical and cultural boundaries. Consider, however, the following Anglo-EU translation guide of phrases that are routinely used in face-to-face negotiations and could easily lead to misunderstandings.

ANGLO-EU TRANSLATION GUIDE

What the British say	What the British might mean	What others might understand
I hear what you say	I disagree and do not want to discuss it further	He accepts my point of view
With the greatest respect...	I think you are an idiot	He is listening to me
That's not bad	That's good	That's poor
That is a very brave proposal	You are insane	He thinks I have courage
Quite good	A bit disappointing	Quite good
I would suggest...	Do it or be prepared to justify yourself	Think about the idea, but do what you like
Oh, incidentally/by the way	The primary purpose of our discussion is...	That is not very important
I was a bit disappointed that	I am annoyed that	It doesn't really matter
	...is completely nonsense	They are impressed

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I'm sure it's my fault
You must come for dinner
I almost agree
I only have a few minor comments
Could we consider some other options?

It's your fault
It's not an invitation, I'm just being polite
I don't agree at all
Please rewrite completely

I don't like your idea

Why do they think it was their fault?
I will get an invitation soon

He's not far from agreement
He has found a few typos

They have not yet decided

Source: www.scribd.com/doc/55551980/Anglo-EU-Translation-Guide

ASSUMPTIONS AND NEGOTIATING

When people communicate, they make certain assumptions about the other's process of perceiving, judging, thinking, and reasoning patterns. These assumptions are made without realization. Correct assumptions facilitate communication, but incorrect assumptions lead to misunderstandings, and miscommunication often results.

The most common assumption is projective cognitive similarity; that is, one assumes that the other perceives, judges, thinks, and reasons the same way he or she does. Persons from the same culture, but with a different education, age, background, and experience, often have difficulty communicating. American managers experience greater difficulties communicating with managers from other cultures than with managers from their own culture. However, in some contexts, American managers share more interests with other members of the world managerial subculture than with their own workers or union leaders. The effects of our cultural conditioning are so pervasive that people whose experience has been limited to the rules of one culture can have difficulty understanding communication based on another set of rules.

To create cultural synergistic solutions to management problems and international negotiating, US managers must identify and understand what is American about America, what common cultural traits are shared by Americans, and what values and assumptions form their foundation.

Awareness of cultural influences is essential for transferring concepts, technology, or ideas. Depending on the cultures, there may be an overlap of values in a specific area and, therefore, the problems related to transferring ideas will be minimal. However, in some instances, the gap will be significant and cause serious problems. According to Graham,¹³ there are four problems in international business negotiations: (1) language, (2) nonverbal behavior, (3) values, and (4) thinking and decision-making.

The problems increase in importance and complexity because of their subtle nature. For instance, it is easy to ascertain the language differences between the French and Brazilians.

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The solution is either state-of-the-art translating headsets or interpreting/translating teams to accommodate each side. The problem is obvious and relatively easy to address.

Cultural differences concerning nonverbal behavior are often not so obvious; we are not as aware of these behaviors. In face-to-face negotiations, we give and receive nonverbal behavioral cues. Some argue that these cues are the critical messages of a negotiation. The nonverbal signals from our counterparts can be so subtle that we may feel a sense of discomfort but may not know exactly why. For example, when a Japanese negotiator fails to make eye contact, it may produce a sense of unease in the foreigner, but it may simply be shyness on the part of the Japanese. Often, nonverbal intercultural friction affects business negotiations, but goes undefined and more often uncorrected.

Laver and Trudgill, in Scheu-Lottgen and Hernandez-Campoy, also point out that, during conversations, one must act almost as a detective, not only considering the words and speech but also attempting to establish, from an array of clues, the state of mind and the profile and perspective of the other's identity.¹⁴

The difference in values is even more obscure and harder to understand. For example, Americans value objectivity, competitiveness, equity, and punctuality, and often presume that other cultures hold the same values in high esteem. Regarding punctuality, Graham states, "Everyone else in the world knows no negotiation tactic is more useful with Americans. Nobody places more value on time. Nobody has less patience when things slow down."¹⁵

Generally, during a complex negotiation, Westerners divide the large tasks up into smaller ones. One can move through the smaller tasks, finishing one and moving on to the next, sensing accomplishment along the way. Issues are resolved at each step in the process, and the final agreement is the sum of the sequence. However, in Eastern thinking all issues are discussed, often with no apparent order, and concessions, when made, occur at the conclusion of negotiations. The Western approach is sequential and the Eastern is holistic—the two are worlds apart. Therefore, American negotiators have difficulty measuring progress during negotiations with the Japanese, and the differences in the thinking and decision-making processes can result in blunders. For the Japanese, the long-term goal is a mutually beneficial ongoing business relationship.

FRAMEWORK FOR INTERNATIONAL BUSINESS NEGOTIATIONS

A successful negotiation is a "win-win situation" in which both parties gain. Many factors affect a negotiation's outcome.

There are varied negotiation postures, bases from which to negotiate. One framework by Weiss and Stripp¹⁶ maintains that there are 12 variables in every international negotiation that impact the negotiation, and can therefore significantly influence the outcome, either positively or negatively.

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- **Basic conception of negotiation process.** There are two opposing approaches to the concept of negotiation: strategic and synergistic. In the strategic model, resources are perceived as limited. The sides are competitive and, as a result of bargaining, one side is perceived as getting a larger portion of the pie. In the synergistic model, resources are unlimited. Each party wants to cooperate so that all can have what they want. Counterparts look for alternative ways to obtain the desired results.
- **Negotiator selection criteria.** These criteria include negotiating experience, seniority, political affiliation, gender, ethnic ties, kinship, technical knowledge, and personal attributes (e.g., affability, loyalty, and trustworthiness). Each culture has preferences and biases regarding selection.
- **Significance of type of issue.** Defining the issues in negotiation is critical. Generally, substantive issues focus on control and use of resources (space, power, property). Relationship-based issues center on the ongoing nature of mutual or reciprocal interests. The negotiation should not hinder relationships and future negotiations.
- **Concern with protocol.** Protocol is the accepted practices of social behavior and interaction. Rules of protocol can be formal or informal. Americans are generally less formal than Germans, for example.
- **Complexity of language.** Complexity refers to the degree of reliance on nonverbal cues to convey and interpret intentions and information in dialogue. These cues include distance (space), eye contact, gestures, and silence. There are high- and low-context communications. Cultures that are high context in communication (China) are fast and efficient communicators, and information is in the physical context or preprogrammed in the person. Low-context communication, in contrast, is information conveyed by the words, without shared meaning implied. The US has a low-context culture.
- **Nature of persuasive arguments.** One way or another, negotiation involves attempts to influence the other party. Counterparts can use an emotional or logical approach.
- **Role of individuals' aspirations.** The emphasis negotiators place on their individual goals and need for recognition may also vary. In some cases, the position of a negotiator may reflect personal goals to a greater extent than corporate goals. In contrast, a negotiator may want to prove he or she is a hard bargainer and compromise the goals of the corporation.
- **Bases of trust.** Every negotiator, at some point, must face the critical issue of trust. One must eventually trust one's counterparts; otherwise, resolution would be impossible. Trust can be based on the written laws of a particular country, or it can be based on friendship and mutual respect and esteem.
- **Risk-taking propensity.** Negotiators can be perceived as either "cautious" (low risk-takers), or "adventurous" (high risk-takers). If a negotiator selects a solution that has lower rewards but higher probability of success, he or she is not a risk-taker. If the negotiator chooses higher rewards but a lower probability of success, then he or she is "adventurous" and a risk-taker.

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- **Value of time.** Each culture has a different way of perceiving and acting on time. Monochronic cultures emphasize making agendas and being on time for appointments, generally seeing time as a quantity to be scheduled. Polychronic cultures stress the involvement of people rather than preset schedules. The future cannot be firm, so planning takes on little consequence.
- **Decision-making system.** Broadly understood, decision-making systems can be "authoritative" or "consensual." In authoritative decision-making, an individual makes the decision without consulting with his or her superiors. However, senior executives may overturn the decision. In consensual decision-making, negotiators do not have the authority to make decisions unless they consult their superiors.
- **Form of satisfactory agreement.** Generally, there are two broad forms of agreement. One is the written contract that covers possible contingencies. The other is the broad oral agreement that binds the negotiating parties through the quality of their relationship.

Negotiation insights for India, China, Brazil, South Korea, Germany, and Russia¹⁷

Can statements that are mostly accurate be made about a group of people or a "culture"? Is there a "national character" of a people, that is, a system of beliefs, attitudes, and values that are dominant in a country or nation as a result of common experiences?

In the definition of national character, there are three assumptions: (1) all people belonging to a certain culture are alike in some respects; (2) they are somewhat different from other cultures in the same respects; and (3) the characteristics ascribed to them are in some way related to the fact that they are citizens of a given country.

During negotiations, however, all anyone can observe is human behavior. We see what people do. What are the determinants of human behavior? We believe one has to consider three factors: culture (a national character); personality (no two people from the same culture are exactly alike); and context (where does the behavior take place—in New York? São Paulo? Tokyo? Jeddah?).

What follows is a summary of aspects of Chinese, Brazilian, German, and Russian "national character." Remember that "personality" and "context" are also determinants of behavior.

Framework applied to Chinese negotiators

- 1 Basic concept of the negotiation process
 - Intelligence gathering
 - Statements emphasizing "friendship"
 - Hard bargaining

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- 2 Negotiator selection criteria
 - Technical expertise
 - In times of turbulence/change political reliability
- 3 Significance of type of issue
 - Relationship-based issues receive attention
 - Connections (*guanxi*) important
- 4 Concern with protocol
 - High concern with proper etiquette
 - Use "home court" as advantage
- 5 Complexity of language
 - Very high-context with implicit and unstated desires and approaches
- 6 Nature of persuasive arguments
 - "No compromising" to establish economic value
- 7 Role of individuals' aspirations
 - Individual aspirations are resurfacing but "standing out" is unusual
- 8 Bases of trust
 - Past record is important
- 9 Risk-taking propensity
 - High avoidance of risk-taking resulting in meticulous and tough negotiating tactics and strategy
- 10 Value of time
 - Long view of time, and masters at the art of stalling
- 11 Decision-making system
 - Appearance of participative decision-making, but in reality is an authoritative system with higher levels always controlling
- 12 Form of satisfactory agreement
 - Carefully worded contracts, but legal infrastructure lacking

Framework applied to Brazilian negotiators

- 1 Basic concept of the negotiation process
 - Verbal facility, harmony, and eloquence are valued
 - Negotiating is often a long process
 - Establishing trust is critical to success
- 2 Negotiator selection criteria
 - Seniority is important
 - Oratory skills, social and political connections, and academic training are significant
- 3 Significance of type of issue
 - Early in the discussion, building relationships is important

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- 4 Concern with protocol
 - Formal in social hierarchy and ceremony
 - Dress is important
- 5 Complexity of language
 - Less direct and high-context
- 6 Nature of persuasive arguments
 - Inference, indirection, but with common sense
- 7 Role of individuals' aspirations
 - Brazilians are individualistic, and outshining one's colleagues is acceptable
- 8 Bases of trust
 - Trust is built slowly
- 9 Risk-taking propensity
 - Basically low on risk-taking
- 10 Value of time
 - Not hurried . . . a more polychronic approach to schedules
- 11 Decision-making system
 - Bureaucratic and hierarchical
- 12 Form of satisfactory agreement
 - A handshake and words of honor are followed by details that are formalized by lawyers

Framework applied to German negotiators

- 1 Basic concept of the negotiation process
 - Direct, explicit, analytical, and logical
- 2 Negotiator selection criteria
 - Excellent technical knowledge and strong educational background
- 3 Significance of type of issue
 - Get right down to business
 - Honest and straightforward
- 4 Concern with protocol
 - Serious, controlled, and disciplined
- 5 Complexity of language
 - Low-context—frank and realistic
- 6 Nature of persuasive arguments
 - Careful research, orderly and persuasive presentation
- 7 Role of individual aspirations
 - Strong sense of duty and company loyalty
- 8 Bases of trust
 - Convince with competence and performance, facts, and actions

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- 9 Risk-taking propensity
 - Avoid risk by sticking to what is known
- 10 Value of time
 - Being "on time" is always important
- 11 Decision-making system
 - Top down
- 12 Form of satisfactory agreement
 - Written and binding documents

Framework applied to Russian negotiators

- 1 Basic concept of the negotiation process
 - A competitive process where one side "wins"
- 2 Negotiator selection criteria
 - Professional negotiators are selected on the basis of specialization
- 3 Significance of type of issue
 - Hard bargaining, personal relationships play only a small role
- 4 Concern with protocol
 - Rules and protocol should be known and followed
- 5 Complexity of language
 - Low-context and direct
- 6 Nature of persuasive arguments
 - Delaying negotiations and wearing down their counterparts is often a style
- 7 Role of individual aspirations
 - Individualistic in contrast with the recent past
- 8 Bases of trust
 - "Caution" is important
- 9 Risk-taking propensity
 - High risk-takers
 - Corruption endemic
- 10 Value of time
 - Long and demanding
- 11 Decision-making system
 - Very hierarchical
- 12 Form of satisfactory agreement
 - Contracts are cleverly written, and details are often omitted

Having an awareness of the above will assist negotiators from any country when negotiating with Japanese in Japan or anywhere. But remember, in Chapter 1 we discussed the importance of considering culture, personality, and context in understanding the behavior of anyone.



Figure 4.1

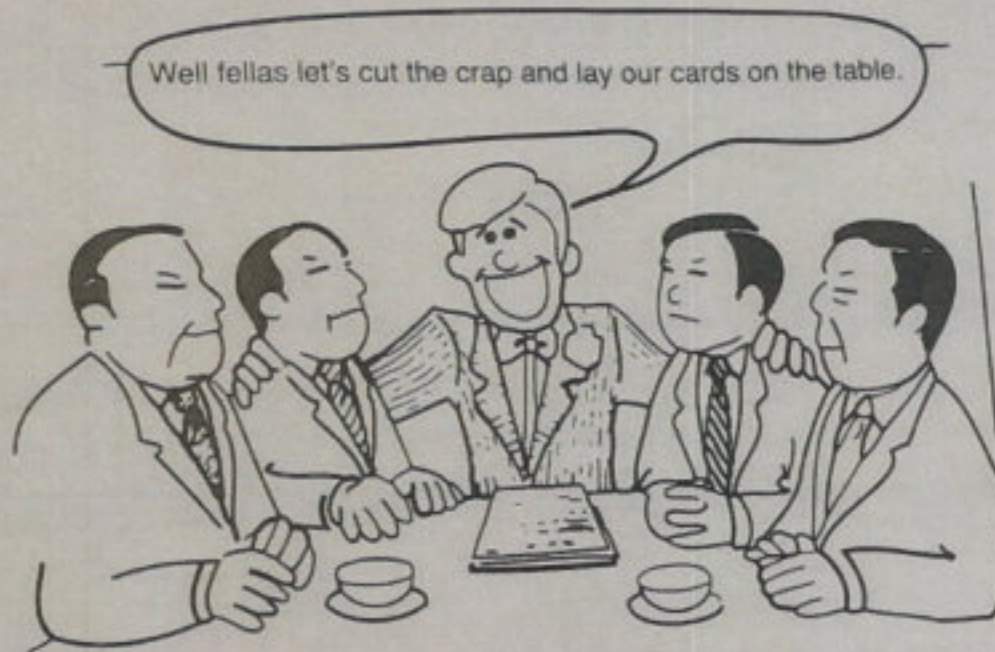


Figure 4.2

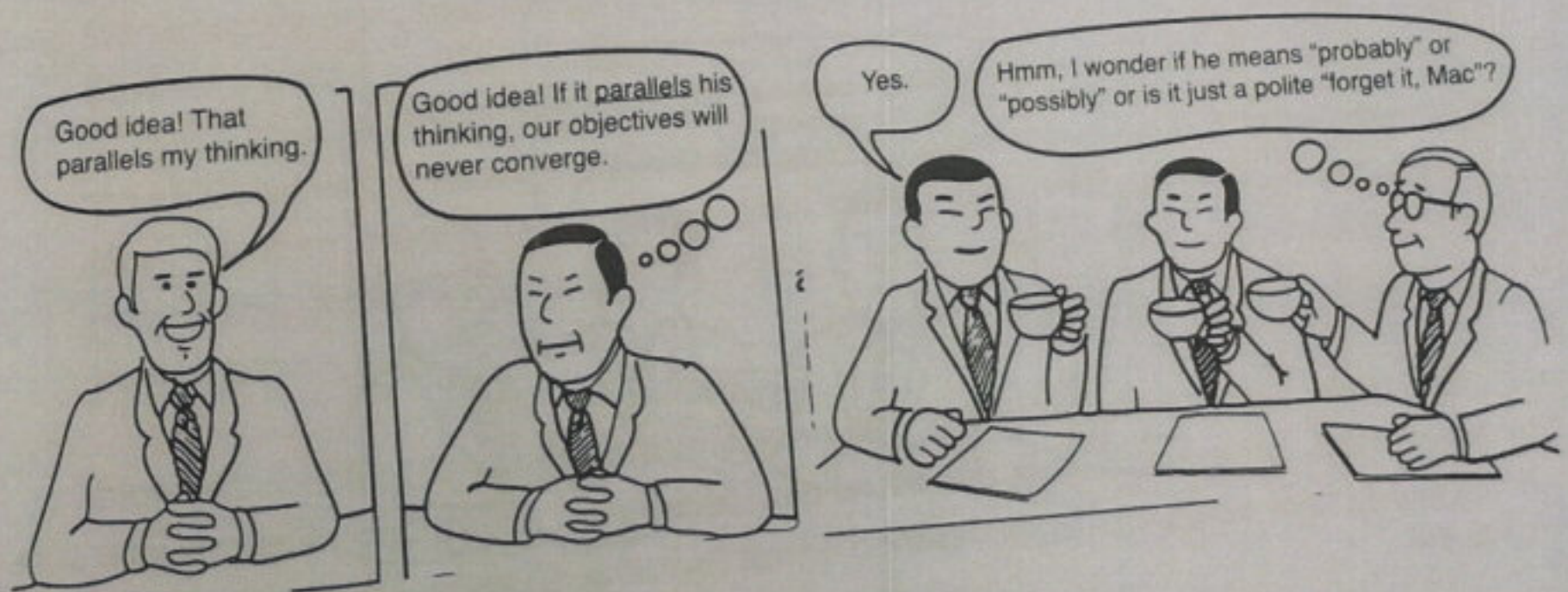


Figure 4.3

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Figure 4.4



Figure 4.5



Figure 4.6

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Without this awareness, the previous cartoons might explain the reactions of some "gaijin" or foreigners about Japanese negotiating behavior.

CONFLICT RESOLUTION AND NEGOTIATIONS

By definition, all successful negotiations involve at least some resolution of conflicts. Unsuccessful negotiation involves at least one conflict, large or small, that has not been resolved.

Like leadership and power, conflict is a fascinating subject for research and discussion in organizations. Traditionally, the social scientists who have studied conflict have been keenly aware of its destructive element, which is observed in wars, strikes, family disruption, and disharmony. We will identify some themes reflecting the US viewpoint with regard to conflict, and suggest ways that other cultures resolve disputes. As Rensis Likert stated many years ago, "The strategies and principles used by a society and all its institutions for dealing with disagreements reflect the basic values and philosophy in that society."¹⁸

What is conflict? Like the word culture, there is no single agreed-upon definition. Thomas¹⁹ states: "Conflict is the process that begins when one party perceives that the other has frustrated, or is about to frustrate, some concern of his." This frustration may result from actions that range from intellectual disagreement to physical violence. Another definition of "conflict" holds that it results when two or more persons or things attempt to occupy the same space at the same time. The management of conflict is a major issue at the personal and organizational levels, and all negotiations involve a resolution of conflicting interests and needs.

Most US negotiators view conflict as a healthy, natural, and inevitable part of relationships and negotiations. This constructive approach to conflict views the positive attributes in any conflict situation. The belief that conflict is constructive requires that problems be addressed directly, and that people can be motivated to search for solutions to these problems. Constructive disagreement may in fact be an integral part of American organizations.

Stewart states:

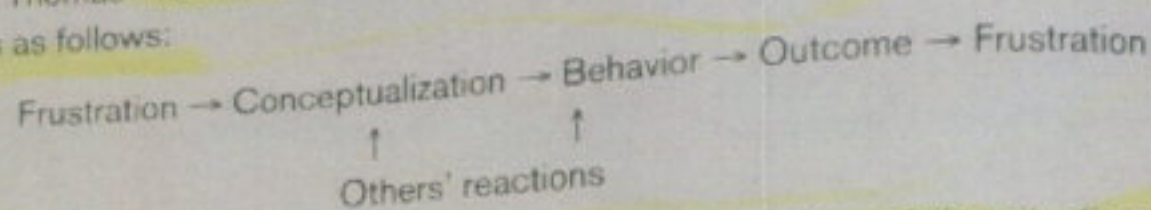
When faced with a problem, Americans like to get to its source. This means facing the facts, meeting the problem head on, putting the cards on the table, and getting information straight from the horse's mouth. It is also desirable to face people directly, to confront them intentionally.²⁰

However, conflict in organizations is perceived to have disadvantages when there are wide differences in viewpoints or perspectives and these are carried to the extreme. In this case, conflict is perceived as destructive, as the conflict creates a high level of stress for the

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individuals involved, which in turn affects their ability to perform. This undermines the cooperative dimension necessary in work groups, and results in time and energy being devoted to finding resolutions, which could otherwise have been spent on organizational objectives. Such a situation also thwarts the decision-making process. Conflict resolution should be viewed as a win-win situation.

With the change in emphasis from the elimination of conflict to the management of conflict, Thomas²¹ identified two models of conflict between social units. The process model appears as follows:



The frustration of one party leads to a conceptualization of the situation, to some behavior, to the reaction of the other party, and then to agreement or the lack of agreement. In the latter case, the conflict episode is continued with further frustration, a new conceptualization, etc. The process model is concerned with the influence of an event (e.g., the conceptualization of the problems). The structural model attempts to understand conflict by studying how underlying conditions shape events. "The structural model is concerned with identifying the pressures and constraints which bear upon the parties' behavior; for example, social pressures, personal predispositions, established negotiation procedures and rules, incentives, and so on."²² The structural model attempts to predict the effect of these conditions on the behavior of the individuals involved in conflict. Thomas maintains that the two models complement each other.

Thomas and Kilmann suggest a two-dimensional scheme, with one dimension being the cooperative-uncooperative striving to satisfy the other's concern, and the second being the degree to which one assertively pursues one's own concerns.²³ In Exhibit 4.2, the assertive style (4) is competitive and represents a desire to satisfy one's concern at the expense of the other. The cooperative style (2) attempts to satisfy the other but not one's own concern. A compromising style (3) is a preference for moderate but incomplete satisfaction of both parties. Labor-management disputes in the US characterize this style. A collaborative style (5) attempts to fully satisfy the concerns of both parties and is most synergistic. The avoidance style (1) is an indifference to the concerns of either party. The cooperative style as opposed to uncooperative is an Eastern mode of resolving conflict, and the assertive mode is more Western.

The effective global manager must achieve a synergistic solution, diagnosing conflict accurately and determining a strategy for managing the conflict.

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EXHIBIT 4.2 A TWO-DIMENSIONAL SCHEMATIC SHOWING VARIOUS STYLES OF CONFLICT RESOLUTION

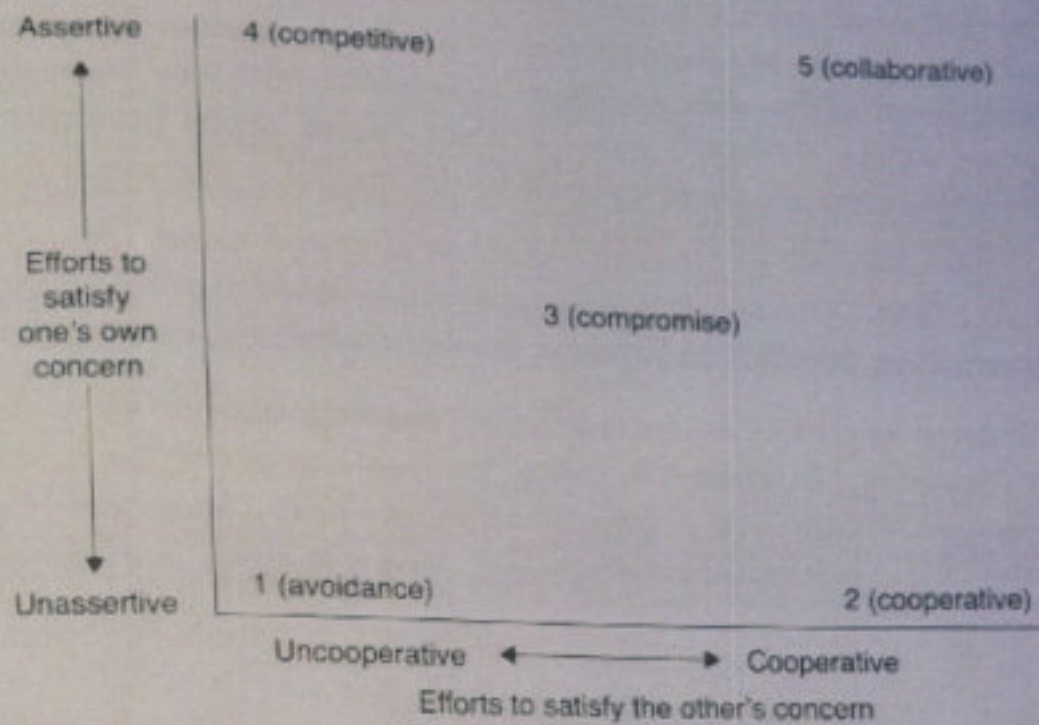


EXHIBIT 4.2

Source: Kilmann, R. H. and Thomas, K. W. "A Forced-Choice Measure of Conflict Handling Behavior: The 'Mode' Instrument" Los Angeles Graduate School of Management, Working Paper, 1973, p.7.

Conflict management in the Arab world

In the Arab world, the role of the mediator is important in resolving conflict. Thus, "the greater the prestige of the mediator, and the deeper the respect he commands, the better the chances that his efforts at mediating a dispute will be successful."²⁴ Some highly regarded families and groups carry ascribed status as mediators. The mediator must be impartial and beyond pressures, including monetary ones, from either side in the dispute. The mediator will often promote compromise by appealing to the wishes of other respected parties; for example, "Do it for the sake of . . . your father/brother." The ethical force of such an argument ("for the sake of") has three underlying assumptions, all of which remain unspoken but nonetheless understood by the disputants:

- 1 Each individual is obligated by ties of kinship to act in a manner that his kinsmen find gratifying.
- 2 The kinsmen, especially the older ones, are interested in the settlement of any conflict involving their kin group because every conflict represents a potential danger to the honor of the family.
- 3 By modifying one's position, the disputant can manifest generosity which, in turn, redounds to the honor of kin and Bedouin values.

Conflict management in Japan

"To understand typical behavioral responses to conflict situations in Japan requires a basic understanding of the history and cultural environment of Japan."²⁵ Accordingly, it is necessary to first ascertain the key psychological and cultural variables that affect Japanese conflict management phenomena, and then to determine how they interrelate with each other to create various deviations within a larger cultural norm. The Japanese conflict management system includes both institutionalized conflict management structures and behavioral conflict management techniques.

Styles of handling conflict in Japan

Five styles of handling conflict are used in Japan: avoiding, compromising, obliging, integrating, and dominating. Of these five styles, the Japanese prefer the avoiding style. In numerous examples of Japanese managers' responses to the statement "Organizations would be better off if conflict could be eliminated," Japanese agree very strongly.

AVOIDING

On a behavioral level, the Japanese commonly employ a number of techniques to avoid conflict. Many of these techniques are not uncommon in cultures around the world, but they provide particular insight into Japanese conflict management.

One of their most effective techniques is sometimes referred to as triadic management. To avoid confrontation between two people, the Japanese often create a triad with another outside individual to manage the situation. Conflict between the two parties may be communicated through the third party in an indirect manner. The third party may take a more active role as an arbiter in situations where there is an apparent stalemate. In such a situation, the third party, who is respected by both of the other individuals, may provide a breakthrough by presenting her- or himself as the person on whose behalf the other two parties are to resolve the conflict. She or he urges the conflicting parties to relent so that she or he can "save face" (*kao*), with an implicit threat that she or he will take offense if her or his intervention is not heeded. To prevent humiliation to the arbiter, both parties may comply, even though they might prefer to remain in conflict with each other. Although this triadic management technique is by no means unique to Japan, it is utilized extensively, and provides one of the greatest vehicles for conflict management within the culture. Those skilled in global negotiations often use this method in Japan.

COMPROMISING

A variant of triadic management, known as displacement, can often manifest itself in a variety of ways. Usually, the displacement will take place in the form of an offended

individual attempting to convey his or her anger or resentment to a third party, who is in a far more favorable position to transfer the feelings of the injured party to the injuring party in a manner that is less conflicting.

OBLIGING

Another technique often utilized to avoid direct confrontation is commonly referred to as conflict acceptance. Instead of rejecting or correcting an undesirable state of affairs, the individual persuades her- or himself or is advised by someone else to accept the situation. This somewhat fatalistic or deterministic approach is rooted in the strong Buddhist influence on the culture throughout the history of Japan.

INTEGRATING

Another, less-utilized technique employed to avoid direct confrontation may be referred to as self-aggression or self-confrontation. In this technique, one party expresses a grievance against another by exaggerated compliance.

DOMINATING

This style of conflict resolution is contrary to the very nature of the Japanese character and, consequently, is used only rarely.

Interpreters and translators during negotiations

The importance of an interpreter in business negotiations cannot be overemphasized. It is the interpreter who can assist with the accurate communication of ideas between the two teams. A linguistic interpreter can also be a cultural interpreter, letting the negotiators know of actual or potential cultural misunderstandings. It is advisable to remember the following points concerning the use of interpreters:

- Brief the interpreter in advance about the subject. Select an interpreter knowledgeable about the product or subject.
- Speak clearly and slowly.
- Avoid little-known words.
- Explain the major idea in two or three different ways, as the point may be lost if discussed only once.
- Avoid talking for more than a minute or two without giving the interpreter a chance to speak.
- While talking, allow the interpreter time to make notes about what is being said.
- Do not lose confidence if the interpreter uses a dictionary.

- Permit the interpreter to spend as much time as necessary in clarifying points whose meanings are obscure.
- Do not interrupt the interpreter as he or she translates, to avoid misunderstandings.
- Avoid long sentences, double negatives, or the use of negative wordings when a positive form could be used.
- Avoid superfluous words. Your point may be lost if wrapped up in generalities.
- Try to be expressive, and use gestures to support your verbal messages.
- During meetings, write out the main points discussed. In this way, both parties can double-check their understanding.
- After meetings, confirm in writing what has been agreed.
- Do not expect an interpreter to work for over two hours without a rest.
- Consider using two interpreters if negotiation is to last an entire day or into the evening, so that when one tires, the other can take over.
- Don't be concerned if a speaker talks for five minutes and the interpreter covers it in half a minute.
- Be understanding if the interpreter makes a mistake.
- Ask the interpreter for advice if there are problems.

Successful negotiation procedures

Negotiations bring together two parties, each with an expectation of the outcome. On examination, the two parties evaluate their leverage, authority, and tactics. To close a negotiation that was the best possible deal for both sides means that, most likely, neither side feels cheated or duped and that a spirit of fairness pervaded the negotiation. When international negotiations take place, the cultural differences and implications can spin the negotiation in unanticipated directions. Weiss has established five steps for analyzing and developing a culturally responsive strategy for international negotiations.²⁶

- 1 **Study your own culture's negotiation script.** When we are in our home culture, we behave almost automatically. Studying observations about their home culture by outsiders as well as their own self-examinations will enable a negotiator to construct an accurate national profile. What does your side bring to the party?
- 2 **Learn the negotiation script of your counterpart.** A first-time negotiator should build a profile of his or her counterparts from the ground up. An experienced negotiator should review and research his or her counterparts, adding new information. Beware of cultural biases. What does this party bring to the negotiations?
- 3 **Consider the relationship and circumstance.** Whether you are the buyer or the seller in a negotiation will affect the relationship, and an adjustment of strategy will have to occur. Any previous negotiating relationship with a counterpart, as well as his or her home culture and its familiarity with yours, will also affect the outcome. What is the context of the relationship?

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- 4 **Predict the counterpart's approach.** If your counterpart's approach is similar to yours, or you perhaps can influence the selection of the approach, these deliberations will preview the possible interactions during preparation for the negotiation. Generally, approaches will be complementary or conflicting.
- 5 **Choose your strategy.** After completing the first four steps, the selection of the strategy must be feasible, given the cross-cultural dimensions of the negotiations and the counterpart's approach, be appropriate to the relationship, and, hopefully, be a win-win for both parties.

Wederspahn suggests that human resource development programs within global corporations should include an International Negotiations Workshop with a cultural overview of the counterpart party in negotiations.²⁷ The model is based on the high-/low-context approach to culture discussed elsewhere in this book. *Position-based negotiation* is based on the win-lose paradigm—the more one party receives, the more the other has to give up in the pursuit of self-interest and maximizing advantage. The main focus is on position-advancing, defending, and rationalizing it. Concessions made should be compensated by corresponding gains. Objective and impersonal data should be used to justify one's demands and trade-offs. Tactics include overstating demands, multiple fallback positions, pressure and dramatic displays, hidden agendas, bluffing, and keeping one's opponents off balance. In contrast, *interest-based negotiation* assumes that a mutually advantageous agreement is possible and desirable; expectations are for collaboration that is win-win and that brings benefits to both parties. This approach looks to long-term payoffs in the relationship, so that there is mutual openness and information sharing to better understand each other's needs, constraints, and aspirations. Trust-building includes visits to each other's facilities, establishing explicit and objective standards of fairness, designing systems to share gain/risk, giving and receiving help from one another, as well as socializing and creating a common strategy and culture.

THE PRICE OF FAILED NEGOTIATIONS

War is a conflict in the extreme, and often results when diplomacy and negotiations have failed. Recent research on post-traumatic stress disorder (PTSD) has suggested that serious conflict, such as war or occupation, can produce years of traumatic experiences, especially for many who have engaged in the extreme conflict. David Bercei, a trauma therapist and expert on Arab-American relations, has written on this in personal communication with Robert Moran (Exhibit 4.3).

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EXHIBIT 4.3

EXHIBIT 4.3 WAR FORGES A NEW ERA IN CORPORATE ARAB/AMERICAN RELATIONSHIPS

In the United States, "Roughly 3.6 days of work impairment per month associated with Post-Traumatic Stress Disorder (PTSD)" translates into an annual productivity loss in excess of \$3 billion.¹ These figures and subsequent loss in productivity increase dramatically in countries throughout the world that have been ravaged by war, political violence, or sectarian armed conflict. As a result of recent events in the Middle East, international corporations operating there need to seriously consider the staggering toll that emotional pain and suffering will have on the functional and productive capacity of their employees. "There is no avoiding the traumatic aftermath of war; it reaches into every segment of society."² Work impairment due to secondary comorbid disorders of PTSD such as anxiety, depression, irritability, disturbed sleep, and elevated mood disorders all damage the cognitive and interpersonal skills of employees. This has a staggering impact on the social structure and eventually the economy of any corporation or society. As a result of this reality, whether they want to or not, corporations operating in war-torn countries of the Middle East will be forced to implement programs and procedures to deal with the systemic consequences of the trauma their employees have experienced.

As the average duration of each trauma episode is reported to be more than seven years, "the typical person with PTSD has a duration of active symptoms for more than two decades. The process of healing, therefore, will have to be measured in terms of generations rather than years."³ Beginning with the rebuilding of Iraq, corporate social responsibility and financial profitability should be seen as inseparable ideologies because of the severe and systemic trauma experienced by the Iraqi people. With some simple but strategic trauma behavior modifications, over time corporations will be able to break down antagonism and build alliances across opposing sides. They will be able to use the trauma of their employees as a common opportunity for gain. If they know what they are doing, they can use these opportunities to "reduce contentious behaviors and increase conciliation."⁴

Notes: ¹ PTSD is the reexperiencing of disrupting emotions or behaviors following the initial trauma.

² This report is from the Department of Health Care Policy, Kessler R. Harvard Medical School, Boston, MA. It can be found in the *Journal of Clinical Psychiatry*, 2000, Vol. 61 (Suppl. 5), pp. 4-12.

³ Levine, P. *We Are All Neighbors*. Boulder, CO: Foundation for Human Enrichment, 2002, p. 3.

⁴ Department of Health Care Policy.

⁵ Baldwin, D. "Innovation, Controversy and Consensus in Traumatology," *The International Electronic Journal of Innovations in the Study of the Traumatization Process and Methods for Reducing or Eliminating Related Human Suffering*, Vol. 3, No. 1, Article 3.

Emotional intelligence and negotiations

Everyone knows the meaning of IQ (intelligence quotient) and the importance of technical skills and intelligence to perform many job responsibilities. Some in an organization are referred to as "techies." Many also have personal experience with individuals who are very intelligent and have good technical skills but have failed in a leadership position.

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Coleman²⁸ researched about 200 global companies, and found that the traditional attributes associated with leadership—intelligence, vision, toughness, etc.—are insufficient. He states that effective leaders must have a higher degree of emotional intelligence as well. According to Coleman, there are five components of emotional intelligence:

- 1 Self-awareness or the ability to recognize and understand one's moods and emotions, as well as their effect on others. This is characterized by self-confidence and a realistic assessment.
- 2 Self-regulation or the ability to control or redirect disruptive impulses and moods and the propensity to suspend judgment. This is characterized by trustworthiness, integrity, and a comfort with ambiguity.
- 3 Motivation or the ability to work for reasons that go beyond money or status. This is characterized by a strong drive to achieve optimism even in the face of failure.
- 4 Empathy or the ability to understand the emotional makeup of other people. This is characterized by expertise in building and retaining talent.
- 5 Social skills or proficiency in managing relationships and building networks. This is characterized by skills in leading change and expertise in building and leading teams.

Negotiators who are bilingual also appear to have a number of advantages over monolingual negotiators. For children, it has been demonstrated that multilingual exposure improves cognitive skills and social abilities. It can be that these advantages and others continue through life for bilingual or multilingual persons.

Climate change negotiations have a history of being contentious and struggling to find any meaningful agreement. In her paper,²⁹ Susan Biniaz identified a number of language-based tools negotiators have used to resolve differences that sometimes are as "subtle as a shift in the placement of a comma."

CONCLUSIONS

Roger Fisher,³⁰ the negotiating guru, in an interview about emotions and negotiations, stated: "I don't have people criticizing me for talking about emotions ... no one says it's a soft, fuzzy side." In short, keeping your feelings hidden, saying "don't become emotional" during a heated argument, may become obsolete.

This perspective is supported by Fromm,³¹ who wrote:

Emotions provide important information to us and to the other side. If we are able to express our emotions in a constructive way and at an appropriate time in the negotiation, rather than destroying or hurting the negotiation process, it can greatly