

## *Original Paper*

# Cultural Differences between China and America in the International Negotiations under the Cultural Dimensions

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### **Abstract**

*As the booming development of the world economy, it is inevitable for all countries to talk with each other and dialogues among different countries have become a new normal. As the two largest economies in the world, China and the United States hold talks more frequently. On the surface, it seems that the talks are just a psychological fight or game among the participating negotiators. However, it is a fact that the negotiations are about a collision between different cultures. Due to cultural differences, different performances have been made during the process of talks and have affected the quality and efficiency of the dialogue to a great degree. Based on the cultural dimensions, this paper will focus on studying the styles of Chinese and American negotiators on expression, the value of time, decision making and the final goal in the negotiations from the perspective of the dimensions, individualism-collectivism dimension and long-term and short-term index dimension, so as to provide some suggestions for the Chinese negotiators and provide a reference for achieving mutually beneficial international dialogues.*

### **Keywords**

*cultural dimensions, negotiation, individualism, collectivism, long-term index*

### **1. Introduction**

With the booming development of the world economy and increasingly frequent trading, talks and dialogues have been a new normal between countries and economies and business negotiation is the most common type of talks or dialogues. There is no doubt that business negotiation is of crucial significance before achieving the transaction, because it not only determines the success of the

transaction and the interests of different countries, but also has an effect on the operation mode of each transaction in the future. The cultural difference is an important factor behind the talks that results in the negotiating countries achieving their own goals and shared goals. Therefore, it is particularly necessary for all countries to understand their trade partners and other countries as well as their cultures, so that more smooth progress of trading and more efficient exchanges with each other will be made.

The cultural dimensions theory is mainly adopted to study the patterns of various cultures and to explain the different performances in actions. Geert Hofstede (2010a) put forward the six dimensions of cultural patterns, that is, individualism and collectivism, long-term and short-term index, and other four dimensions. Among them, the individualism-collectivism dimension, which is closely related to the high-low context culture, is the most frequently used one for studying the cultural pattern (Chen, 2012). At the same time, the long-term and short-term index dimension is a dimension that orientates in the east world. In addition, as a typical cross-cultural communication activity, the international negotiation carries features of colorful cultures. Therefore, it is suitable to take them to explain the performances of negotiators from different countries. By studying and analyzing performances from the perspective of these two dimensions, the habit and convention of negotiators in the international negotiations can be better understood. As a result, there will provide some advice for Chinese negotiators talking with people from different cultures and provide a reference for promoting the quality and efficiency of international talks.

## 2. Result

Many differences in the style of negotiation exist between China and the United States, which has been there in the past and will exist for a long time in the future. The reason why people in different countries behave differently from each other lies in the cultural differences between two countries, and the core of these cultural differences is mainly reflected in the cultural dimensions proposed by Geert Hofstede and the high-context and low-context culture proposed by Edward T. Hall. Americans live in an individualistic and short-term culture, while the Chinese people are in a collectivistic and long-term culture. Under the influence of those factors, the two parties have performances varying from each other. Then, on a broader level, when negotiating with different countries of various cultures, negotiators should hold a cross-cultural awareness with an objective and non-judgemental attitude, attempt to temporarily give up their own “principles and ways” but do that just like others do, according to the situation. By doing this, unnecessary matters and conflicts can be reduced and more efficient and high-quality international negotiations may be made, so as to better achieve the goals in the international negotiations.

### 3. Discussion

#### 3.1 *Brief Introduction of the Negotiation*

##### 3.1.1 The Conception of Negotiation

Negotiation is usually a two-side activity, but sometimes a multiple one. Roger Fisher and Willam Ury (1987) defined that negotiation is communication for achieving some kind of agreement. They also pointed out that negotiation is the basic means by which you are able to get what you need from others. People may share a common interest with other parts or may be opposed by other sides. Under such a circumstance, the negotiation is an efficient way to deal with questions and reach an agreement between parties. In the opinions of Shi Min, negotiation can be explained that it is an interpersonal communication and a process of coordinating actions based on people's needs, which is held between two or more sides, and aims to clarify the differences that all sides are concerned (2015a). Negotiation is viewed as a dynamic process of adjustment. During this process, especially in export trade negotiation, negotiators will discuss issues on what all of them are interested in and on their own interests. In other words, negotiation is a process of bargaining between two parties or even multiple parties, who will cooperate for common interests and will also have contradictions and conflicts on the distribution of their own interests. It is also a kind of activity based on people's needs, clarifying differences but seeking a common ground and involving the communication among people. Under the explanation of negotiation, it is much easier to learn about the international negotiation, which refers to the negotiation conducted among different countries or regions.

##### 3.1.2 The Characteristics of the Negotiations

Negotiation is not only a social phenomenon happening everywhere in people's daily life, but also a special reflection of human beings (Shi, 2015b). For example, negotiations can be applied to adjust the interpersonal relationship such as husband and wife, parents and their children who have had a quarrel, as well as sellers and customers. However, due to the relatively low correlation to each other's interests, there is little risk and people needn't to plan or to be well-prepared for certain stage and final results in such negotiations. Compared with those negotiations mentioned above, the international negotiations are more serious and formal with higher risks that negotiators must make full preparations for every stage and take negotiations into greater consideration. Negotiation is a process of exchanging information. The needs, requirements, interests as well behavioral mode of negotiators can vary from culture to culture. Thus all negotiators in the international negotiations make every endeavor to persuade other parties to understand and accept their opinions and thinking. Due to its specialty, international negotiations are often characterized by equality and the interference of national and diplomatic policies, and the international provisions and laws supporting the international negotiation are authoritative (Zhang & Gu, 2016). To the extent, the characteristics of the international negotiation make an equal and harmonious negotiating atmosphere for the participants and guarantee the rights and interests for them so that all sides will reasonably and legally express their needs and demand without

suffering huge losses.

### *3.2 Individualism-Collectivism and Long-term and Short-term Index Dimensions*

The cultural dimensions theory is a theory that is used to measure the cultural differences of different countries. It was first proposed by Dutch psychologist Geert Hofstede in 1980 after sending questionnaires on more than 110,000 staff members of IBM, a multinational organization. He believes that culture is a psychological process shared by people in an environment, which can distinguish a group of people from others. Through research, he summarized the differences between different cultures into six basic dimensions of cultural values. At the beginning, it only included four cultural dimensions based on the western cultures, namely individualism and collectivism, the power distance, the uncertainty avoidance, and masculinity- femininity. Then, on the basis of the investigation of Micheal Bond, Geert Hofstede established the fifth cultural dimension, that is, the long-term and short-term index. In his 2010 study, Hofstede added the sixth dimension---indulgence and restraint dimension into his former theory, and then shaped today's theory.

#### *3.2.1 The Individualism-Collectivism Dimension*

Geert Hofstede (2010b) put forward six indicators that are widely accepted in the world and reflect the cultural environment of various countries, among which the cultural framework constructed by the collectivism-individualism dimension is the most representative dimension of the cross-cultural comparison (Xuan et al., 2020). Based on the Geert Hofstede's identification of these six dimensions, Triand is also studied the individualism-collectivism dimension and further divided it into five parts, that is, the definition of individual to self, the relative importance of individual and group goals, the relative importance of individual behaviors determined by individual attitudes and social norms, the relative importance of task completion and interpersonal relationships to individuals, and identification of individual to internal group and external group. Individualists give priority to personal goals over the goals of collectives; collectivists either make no distinctions between personal and collective goals, or if they do make such distinctions, they subordinate their personal goals to the collective goals (Triandis, 1989). Individualism refers to the broad value tendencies of a culture in emphasizing the importance of individual identity over the group identity, and collectivism refers to the broad value tendencies of a culture in emphasizing the importance of "we" identity over "I" identity (Ting-Toomy, 2007a). It seems that these two dimensions are opposite to each other, but people should always be aware that they are just two descriptive terms.

#### *3.2.2 Long-term and Short-term Index Dimension*

This dimension is the fifth dimension, which is put forward by Geert Hofstede based on a survey, which was organized by Canadian scholar Michael H. Bond who invited scholars from Hong Kong and Taiwan to investigate the Chinese values of all college students around the world (Zhang & Yang, 2011). Thus this dimension is different from that of the western scholars. Micheal H. Bond called it "Confucius doctrine" and believed that it represented Confucian educational thought (Wang, 2018). In

this dimension, the result shows that the long-term index culture highlights future and people living in such a culture are more willing to invest for the future and accept slow results for achieving a long-term goal. But in a short-term index culture, values are inclined to the past and the present. Long-term orientation means fostering and encouraging future return-oriented morality, especially tenacity and frugality. On the other hand, the short-term index means fostering and encouraging past and current character, especially with respect for tradition, maintaining face, and fulfilling social obligations (Guo, 2016). Individualism prominently features individual interests and freedom, and self-respect. The people who live and grow up in an individualistic culture are more likely to pay much attention to their own feelings. They express their own opinions so frankly and directly that they often neglect others' feelings and moods. In contrast, those people who are in a collectivistic culture will more take care of those of others. They value teamwork and respect harmony among members and the personal interests are subordinate to the overall interests of the team. In this kind of culture, face of people is much of importance. When one succeeds in saving face, one's position in the team can be maintained (Wang, 2013).

### 3.2.3 Origins of Individualism-Collectivism and Long-term and Short-term Index

There are many reasons for the differences between the East and the West, such as the influence of philosophy and religious belief, geographical and economic factors, history and politics and so on.

From the perspective of philosophy and religious belief, nothing has had a far-reaching impact on China's values than Confucianism. The Confucianists believe that heaven, earth and human are a harmonious system or unity rather than an isolated system, and human beings live in a fixed relationship, and that everyone should look at all things from the overall situation and the whole (Wang & Gu, 2010). In addition to Confucianism, Taoism and Buddhism are also of great importance to Chinese thinking patterns and values. This religiosity comes down to the point that it emphasizes that a person should be a member of many relationships. For example, Buddhism advocates that if someone can forget himself and do not develop his personal desire, he can transcend this life and gain happiness and ease, while westerners are deeply influenced by Euclid, Aristotle and other thoughts. So did the USA. Besides, the United States is still a young country, which was established by a group of Puritans from Britain, who escaped out of the country in order to avoid religious persecution. They brought not only Puritan doctrines, but also European civilizations and Christian ideas. Puritans lived frugally and advocated arduous work for creating a new life for themselves and they believed that they were messengers appointed by God to establish a new world and transform it. Under the influence of religious belief, later Americans usually believe in their own ability.

From the perspective of the geographical environment, China is a country with a vast land and territory, and the Chinese people have undertaken agriculture for thousands of years. In China, various ethnic groups are distributed in different provinces and regions. For a long time, China has attached great importance to its neighbors and "distant relatives are not as good as close neighbors". After a long time,

a strong set of awareness of harmony and collectivism has been formed among the Chinese people, who are willing to depend on and help each other with the pursuit of harmony. On the contrary, western cultures originated from Greek, which are a kind of oceanic culture. The westerners were almost about to conquer the ocean and nature, which nourished their personality of directness and promptness. So did Americans. In addition, the United States has sparsely populated and its people live in relatively open land. Relatively little communication gradually builds a wall among them. For such a reason, Americans (in terms of personality) tend to be more independent. It appears that they depend on their own abilities, and don't have such a strong sense of collective like the Chinese.

### 3.3 Different China-US Styles on the International Negotiations

In the international negotiations, participating negotiators from different countries may have different performances because of various reasons or factors, such as thinking patterns, values, customs and traditions etc. According to the definition of culture, it is a unity that consists of many elements and almost everything can be thought as a culture. That is to say, cultural differences are the largest lion in the way of making efficient and successful international negotiations.

According to the way of communication, Edward T. Hall divided different cultures into high-context culture and low-context culture (2010), which is used to explain the diversity of the world cultures. And Ting-Toomy (2007b) made a list (Table 1) including the characteristics of these two kinds of cultures and some countries in such cultures.

**Table 1. From Across the Culture of Ting-Toomy**

<b>LCC characteristics</b>		<b>HCC characteristics</b>	
Individualistic values		Group-oriented values	
Self-face concern		Mutual-face concern	
Linear logic		Spiral logic	
Direct style		Indirect style	
Person-oriented style		Status-oriented style	
Self-enhancement style		Self-effacement style	
Speaker-oriented style		Listener-oriented style	
<b>Verbal-based understanding</b>		<b>Context-based understanding</b>	
<b>LCC examples</b>		<b>HCC examples</b>	
Germany	United States	Saudi Arabia	Japan
Switzerland	Canada	Kuwait	China
Denmark	Australia	Mexico	South
Sweden	United	Nigeria	Vietnam

#### 3.3.1 Styles on Expressions

Language expression is a very intuitive manifestation of information in negotiation. In terms of expression, it is generally concerned with low-context countries and high-context countries. High-context countries mean that people in these countries pay more attention to the underlying

meaning and the speaker's expression, actions and other contextual factors in the process of communication. But in low-context countries, language content is often the core of expression, so directness and frankness are the obvious signs of negotiation in this kind of countries (Wu & Guo, 2021a). In the international negotiations, expression plays an important role in the process and the result of talks. And in many cases, negotiations can be affected by expressions caused by cultural differences. Taking the 2021 China-US talks in Alaska as an example: at the beginning of talks, the State Secretary of the United States Antony Blinken greeted to the Chinese representatives on behalf of himself and Sullivey, and then he came straight to the point concerning with the interests of his own country and mentioned that some of their partner countries were also following the latest development of the event. Within the several-minute opening marks, Antony Blinken also talked about several sensitive issues for China, and said that China had carried out malicious cyber attacks on the US network. Then the Chinese representative Yang Jiechi made a response to the announcements made by the two US negotiators. He talked about the impact and importance of peaceful and friendly exchanges between the two countries to the world, and emphasized the development of Chinese economy and society in a long speech without direct responding what have mentioned by the other party. Even there might be some unhappiness and discomfort to the statements of the US side, it can be seen from the video that China still anticipates that this negotiation be a frank and sincere one on the principle of ensuring diplomatic politeness.

People can learn from the table 1 that China belongs to the high-context culture but the USA and most western countries belong to the low-context culture, and people in these two cultures have different characteristics in their actions and behaviors. In high-context culture, people have a consensus on experience and the information network, etc. Information can be transmitted through gestures, distance, and even silence, and the code of information is indirect and implicit. In the low-context culture, the information is mainly transmitted by discourse or discourse, and the information code is direct and explicit (Yang & Zhang, 2012a). China is a high-context culture, in which the awareness of collectivism is dominance. Under the influence of collectivism shaping from the nourishment of Confucianism, Taoism and Buddhism as well as geography, the Chinese people tend to be more reserved and will take into account each other's face, pay attention to the influence and impression left to others during the conversation. While America is a low-context culture, in which individualism is mainstream. Living in an individualistic culture, Americans are more frank and straightforward (Wu & Guo, 2021b). Therefore, the exchange of Chinese negotiators is implicit and indirect, while the exchange of US negotiators is relatively straightforward. That is to say, the Chinese people tend to express what they want to convey implicitly and usually explain the environment, reasons and conditions clearly, and communicate with others for a period of time before gradually conveying their meaning and information; Americans, on the other hand, come straight to the point. They usually express what they want to convey at the very beginning of communication. For the China-US talks in

Alaska, there wasn't a happy ending. In a word, the cultural differences reflected in the expressions sometimes have a negative impact on the business negotiations and foreign trade development of the two countries.

### 3.3.2 Styles on the Value of Time

The value of time varies from culture to culture. For example, when a family invites others to be guests at a wedding, the Chinese always choose the date long in advance and then send invitations to inform invitees, but Americans did not inform each other until two days or the same day before the event. When invited to other people's homes as guests, Chinese people will arrive a few hours in advance, which not only shows respect for the host, but also can help prepare food for the invitees. However, it is different in the United States. The invitees often arrive on time at the agreed time to avoid the embarrassment of the host in preparing food, so as to show their respect for the host. It is the same with the international negotiations, in which this difference can be explained from the two dimensions which are mentioned above. From the perspective of long-term and short-term index dimension, people in a long-term index culture focus on the future and are willing to invest for the future. But those people who are in a short-term index culture, are more likely to value here and now. As for China and the United States, they belong to the long-term oriented and short-term oriented culture, respectively. Therefore, Chinese negotiators expect that the negotiation progress will be slow and the time flexibility will be strong. They accept slow results and will take it seriously even they do not achieve their aims and goals after many times. However, for the US negotiators, it is very important for them to be punctual, set the agenda and formulate a detailed timetable. They are highly sensitive to time and believe that time is limited, who want to see the effect immediately, be eager for quick success and instant benefit, and usually do not like dragging on (Yang & Zhang, 2012b). In this aspect, there will be a distinctive contrast for two parties making decisions with different actions. Meanwhile, the Chinese side believes that group goals are higher than individual ones, so in negotiations, they will first pursue collective goals rather than individual goals and spend much more time on consideration for achieving the purposes, so as to be beneficial to its people and the world. For them, it seems that nothing can be more important than the interests of their people.

### 3.3.3 Styles on Decision Making

Similarly, such differences also emerge in the process of making decisions in international negotiations. Since China has been a typically centralized state since ancient times, the collective consciousness and power have had a profound impact on its people. When making a decision on the international negotiations, members of Chinese negotiating team cannot make a simple decision by themselves, because they represent not only a group rather than an individual, but also the interests of their people. They can only act within their own authority, and the final decision is usually made by the superior who did not participate in the negotiations. Therefore, the method of decision making is top-down. However, in the USA, the method of making decisions is bottom-top. In American culture, the concept that



everyone is born equal is deeply rooted. Moreover, there are various laws to affirm and protect the legitimate rights and interests of individuals, which has created a strong and prominent individual consciousness in the United States. During the negotiation, the US side more highlights the role of individuals and often designates someone to be solely responsible for the negotiation, who can make the decision within the scope of his or her authority. Americans believe that individual goals prior to collective goals, who will pursue the former ones first instead of the latter ones. For them, the judgment will be made from their own point of view, and the decision making will be based on their own interests. They consider the party getting the most benefit in the negotiation as the winner. Living in a typically collectivistic culture, however, the Chinese people think that an individual cannot live independently separating himself or herself from the group and others, thus they will cherish their relationship with the group as well as others in the group.

#### 3.3.4 Styles on the Final Goal

Chinese culture focuses on the overall thinking mode because it advocates the “unity of heaven and man” which is characterized by comprehensiveness, fuzziness and seeking for the same. Western philosophy focuses on the individual thinking mode because of the opposition of “object and me”, which has clear purposes, planning and seeking for the differences. Americans value the concrete rather than the whole. For them, the contract is a set of terms with legally binding forces, which can protect their legitimate rights and interests from infringement and can be useful if there are some changes in the future. Unlike Americans, Chinese negotiators adhere to that the general principle is the core of everything, and specific provisions must follow and be established under it. For Chinese negotiators, the general principle is up to the detailed contract, and the essence of the transaction is to establish a relationship. In negotiation, it is not the goal of the Chinese people to obtain the maximum benefit from the negotiation. Their negotiation goal is to seek common ground while reserving differences and achieve a win-win cooperation for both sides. In addition, with the thoughts and concept of keeping harmonious and neutral and satisfying with what have been owned, Chinese negotiators will control their words and deeds, and avoid the risks and challenges in order to maintain a harmonious relationship.

#### 3.4 Strategic Policies for the International Negotiations

Due to differences in culture, great differences and conflicts often occur among the parties in the negotiations, which might lead to the unhappy breakup of both sides in the end. In the process of China-US talks, China is ready to pursue peace and harmony, while the directness and strength of United States leads to China falling into a passive position. In this case, if China blindly “weakens” itself in order to maintain the relationship, it may eventually give up its principles and status and suffer from great loss of interests (Shao, 2008). In fact, behaviors and habits of the other side will never be changed by the Chinese side, but the Chinese side can change its own practices. If Chinese negotiators can cater to the habits and characteristics of Americans, talk about matters what they really want to

express and go to the point in a direct manner, it may achieve better negotiation results. In addition, there is no such thing as which side is right and which is wrong in the international talks and negotiations. By analyzing the style differences between Chinese and American in the international negotiations, it can be seen that in order to promote better exchanges and achieve the goal of mutual benefit and win-win cooperation, the representatives of both sides should make adequate preparations for international exchanges, such as comparing their own culture with that of the other country objectively, and attempting to identify, understand, accept and respect each other's culture. Under the guidance of cross-cultural awareness, both countries can stride cross the cultural barriers and adjust their negotiation styles and strategies to meet each other's cultural needs, so as to ensure the quality and effectiveness of negotiations.

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