

## Technical and business negotiation : the listening and speaking processes in international communication

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# CHAPTER 7 TECHNICAL AND BUSINESS NEGOTIATION: THE LISTENING AND SPEAKING PROCESSES IN INTERNATIONAL COMMUNICATION

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**Instruction for study: you might relate this to all role plays during the course covering any strategy, communication and culture elements.**

## *Purpose Statement*

Every business manager and engineer is involved in negotiations not only within the organization of a manufacturing company or a research and development laboratory, but also with the outside world. The marketing and sales manager has to bargain in a lot of outside transactions, including joint ventures. The research and development scientist or engineer has to negotiate the details of research proposals with his corporate managers and negotiate long term contracts with the management of client companies or with outside customers. Everyone negotiates in many different ways and situations, but is simply not aware of it. Who is going to take a shower first in your house in the morning? How can you get that nice bonus or salary increase from your boss? How do you get your teenage children back at home on time after a party? What do you do if you don't like cats, but your spouse wants one for a pet? Where and when do you take your family vacation this year?

This chapter tries to foster an awareness of the negotiation aspect of communication in business and technology and to increase insight into the most effective ways of reaching a deal based upon tested practical theory.

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- 7.1 Introduction
- 7.2 What Is Your Negotiating Situation?
- 7.3 How Can You Negotiate?
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- Summary
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## **7.1 Introduction**

This chapter combines the information presented in Chapters 4 and 5 primarily for the oral mode of communication (listening and speaking) and applies it to one of the most basic needs of every company working on a national or a global market: having efficient, effective, and pleasant negotiations and other communication with its clients and suppliers in any country. To get a deeper insight into the effectiveness

of such communication, you should take a listener-oriented approach. This would imply the following:

- o Analyzing your own negotiation situation and process.
- o Focusing on the style or strategy of the opposing party.
- o Considering your style and strategy as a reaction to how your opponent views you as a negotiator.
- o Addressing the cultural and language issues of having to deal and negotiate with foreigners.
- o Discovering how to increase the quality level of success of your negotiation strategy at home and at work.

To address some of these issues, let's review some of the aspects which could be crucial to your negotiation success using the results of empirical research and typical experiences in negotiation situations. For this purpose, a general definition of negotiation is necessary and one is given in Figure 7.1.

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A win-win situation and a long-term relationship are the winners!

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Negotiation is a communication process which requires more than one person representing different entities, such as political parties, departments, organizations, or industrial firms. These negotiators may also be individuals who are only representing themselves. One aspect of negotiation is often that there are conflicting interests between parties; for example, a buyer wants to pay the lowest price whereas the seller wants the highest. Different interests, however, can become shared interests; e.g., the buyer wants a product of a high quality which the seller wants to sell. If they cannot agree on the price, they might both lose. While some negotiators try to make the opponent dependent and insist on a "win-lose" outcome, both supplier and client should recognize their mutual need for each other to have a successful deal. As Fisher and Ury (1989) point out, the win-win situation in a cooperative spirit is the best option for a long-term relationship. Both negotiators try to reach an agreement in the form of a written contract, often by compromising, because they see financial gain or other benefits in doing so. In a win-win negotiation, the outcome is synergy, both parties working together for the good of each--an ideal result.

## 7.2 What Is Your Negotiating Situation?

As stated before, everybody is a negotiator, formally or informally, even those having no business experience. Think of a recent buying or selling situation you were in. To analyze your own negotiation process, answer the following questions: Does the definition of Figure 7.1 correspond with your experience? Did you and your opponent have conflicting interests and objectives? Did a mutual dependence exist and if so, was it recognized? Did you seek an agreement? The following checklist can be used to prepare your negotiation carefully:

### *Strategic Aspects of Negotiation*

1. What is your objective? What is your opponent's objective?

2. Do you and your opponent have conflicting interests? To what extent and on what issues do conflicts occur?
3. What are the common interests? Is there a mutual dependence?
4. What are the benefits of the relationship? Are they short-term or long-term?
5. How were the past relations between the parties? Have they changed over time?
6. How were the communications in the past? How did you and your fellow negotiator seek an agreement? How did both of you reach a compromise or contract?
7. Do you strive for a win-win situation or a win-lose situation? Do you prefer to use a cooperative or a competitive strategy?

If you would like to check (as a manager) on the efficiency of such processes in your company or organization, you may use Assignments 1 and 2 at the end of this chapter.

The negotiating process progresses through a series of distinct stages, as shown in Figure 7.1. As you are analyzing your own situation, it is important to know which stage your negotiation is in, from initial contact to final contract.

Figure 7.1 Stages of the Negotiation Process

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<b>Structure</b>	<b>Content</b>
1 Opening – Making the initial contact	Identification of the negotiating parties The general economic situation Joint interest State of affairs
2 Discussing the Needs of the Buyer – What does your opponent want	Situation now Desired situation
3 Offer made by the Seller	Technical information Area of application of the product Types and numbers of products available
4 Matching the Buyer’s Needs to the Seller’s Offer – Presentation of what you want for yourself	
5 Bargaining About Price and Overcoming Objections	Cost of materials and production Services Terms of payment
6 Finalizing the Deal	Results Collaboration Further appointments

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What are the buyer’s needs?

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Stalpers and Ulijn (1984) propose the structure and content of an average business negotiation on the basis of some interviews within the Philips company. The first stages are to make contact and then determine what your negotiating opponent needs. Before you present your product, service, or proposal, it is of utmost importance to explore extensively what the other side wants or needs. Then, the heart of the negotiation process takes place as your offer is carefully connected to

those buyer's needs. This is essential to an effective presentation. The process of creating a match between what your opponent wants and what you want can take on the form of overcoming objections. After bargaining about the price and overcoming any objections about the product or the price structure, closure is vital. As a final step, it is essential to ask for the contract, the order, or the next appointment. Inexperienced negotiators who forget this fall into an abyss after having climbed to the top of their agreement.

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Don't be afraid of confrontation.

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This business negotiation structure is especially relevant in situations which are confrontational or crisis-like. The basic rule here is that you do not have to be afraid of crises, deadlocks, or conflicts. Working through them may even lead to a clearer exploration of the needs of both parties. Fisher and Ury's (1981) message can be summarized as follows:

- o Be *tough* about your business, but *easy* on the people who have to deal with it.
- o Set yourself a clear objective, but be *flexible* in attaining it.
- o *Ask* for the deal, the contract, the next meeting, if you want one.

For a successful negotiation, the following elements are essential: a careful preparation, an efficient exploration of the needs of both parties, a thorough discussion of the proposals, and an adequate closure.

### 7.3 How Can You Negotiate?

Let us consider the following fragment from a business negotiation between a French hospital director (F) and a Dutch supplier (D) as an example (translated from French into English). The discussion topic is a High Performance Liquid Chromatography (HPLC) system to make computerized analyses of blood samples, but it could be any other product or system.

In this text fragment, a slash (/) marks the boundary between the conceptualization and formulation stages, as proposed by Beattie (1986). "Eh" represents a sound made by the speaker as he is thinking. The numbers in parentheses are pauses or periods of no noticeable speech, measured in seconds.

D. *Question: How much time would it take to implement such an HPLC-system in your hospital?*

F. *That depends on the machine's function and on the time we have at our disposal: well (0.4) eh (1.1) I have to say/that I don't exactly have an idea of the time (eh) that it would take in order to do something like that.*

D. *I would (1.9) think that (1.2), as soon as the decision is made..... (0.5)/everybody will want to start immediately (eh)--delivering today, putting it into operation tomorrow and (eh) paying the day after tomorrow, but (eh) that is dangerous, because you'll be making a wrong use of the possibilities.*

In this example, within one speaking turn, it is easy to see a conceptualization stage

marked by long pauses before the slash and a formulation stage marked by short pauses filled by "eh's" after the slash. The Dutch seller asks a direct question and gets an evasive answer with a lot of hesitations from his French counterpart to which he reacts with some pauses in his turn. After this passage, the Dutch negotiator makes a point of insisting by putting himself into the shoes of his client: *if you buy our product, how would you use it?* By doing this, he tries to be sure of the satisfaction of his potential client after the sales. He is successful by repeating and summarizing, so step by step he gets a positive response to his proposal and both parties conclude the deal.

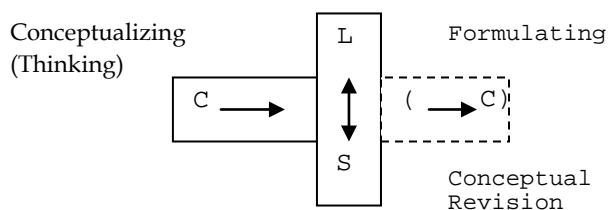
*What can we learn from this example?*

Let us make a psycholinguistic analysis of the above fragment which consists of speaking and listening turns. In the beginning of each turn there are comparatively long pauses (0.4 and 1.1 seconds for the Frenchman, 1.9 and 1.2 seconds for the Dutchman). These reflect the conceptualization phase of a speaking turn. Once the negotiator knows what to say, he quickly starts thinking about how to formulate his message. The few "eh's" found after the / demonstrate this.

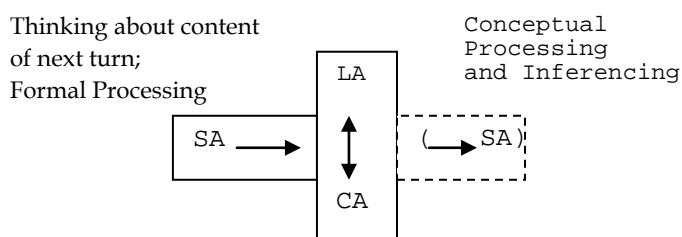
In a typical speaking/listening turn during a negotiation session, the interaction between the speaker and the listener occurs with the following flow as shown in Figure 7.2. The speaker thinks of (conceptualizes) (C) a particular set of concepts to be converted into a text fragment, such as a sentence or a bigger chunk. As Levelt (1989) suggests (see Chapter 5), this thought can already be structured in a language-close form. He tries to formulate it by retrieving the correct words/terms from his mental or other lexicons (L) and by providing them with an appropriate syntactic structure (S) at the same time. In the beginning of the formulation process, the conceptual structure of the thought exploits the lexical and syntactic valency of the linguistic forms. However, the speaker often has to revise his original thoughts to produce an adequate sentence.

Figure 7.2 A speaking and Listening Turn During a Negotiation Session

### The speaker



### The listener



The listener usually needs only a superficial syntactic analysis (SA) of a sentence, such as locating the verb and sometimes the subject and the object to process it. However, he always needs a complete conceptual analysis (CA) based upon the content words known from his lexicon (LA). Generally, he then understands the gist of what has been expressed and needs no further syntactic analysis. He is only interested in extracting the meaning of what is being said not in analyzing its exact syntactic structure. The speaker/listener interaction is reached by an essential feedback loop which is crucial to effective negotiating.

*What does this mean for your negotiations?*

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### Time is a critical issue in the negotiation process

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During his speaking turn, your opponent will spend a lot of time in thinking what to say (C, marked by long pauses). Once he decides this, he will formulate it rather quickly (L + S) with a possible content revision (C) (short pauses) while you are listening to what the speaker is saying. Although you have to be on standby (formal processing) constantly, you will have time to reflect on the previous turn and plan the next one in line with your overall strategy. As soon as the short pauses start, you have to work hard as a listener; you have to process the main message and also infer what is not being said explicitly. You are listening "between the lines," paying attention to hidden meanings and non-verbal cues.

The key for successful business communication both inside and outside the company seems to be more listening if you are near the top of the chain of command and more speaking for those nearer the bottom of that chain. The average American manager spends 30% of his time speaking and 45% listening, and a top manager may spend as much as 70% listening. The more power you have, the more critical it is to have good listening skills. In negotiation as in most business communication situations, managers must make decisions on the basis of what they hear, not on the basis of what they tell other people. That means that lower management and lower ranking personnel should be encouraged to express themselves openly to the top management of a firm. Meanwhile you have to answer another question:

*How much time do you have?*

You have plenty of time to listen. People have an average thinking speed of 800 words per minute (wpm) and a speaking speed of a 100 to 300 wpm. How do you force yourself and your opponent to listen? By asking questions. Various kinds of questions and answers, each having various functions, are used during the negotiation. Figure 7.3 presents several kinds of questions and answers and their functions. By using them, you can go from one stage to another and purposefully give up negotiation space, toward an agreement.

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### Figure 7.3 Kinds of Negotiation Questions

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1. *Open* questions.

Function: to obtain information. The answer is not fixed at all. These question are

often introduced by *who, what, where, why, how, when*. The word “you” usually appears in them.

Examples: *How do you think business community will react to this development?*  
*How much time do you want to reserve for discussion?*

## 2. Reflecting questions.

Function: to gain a clear understanding of backgrounds which lead to a certain position.

Examples: *I have a little difficulty with the terms of settlement...*  
*You don't think they are satisfactory?*

## 3. Closed questions

Function: to define one's standpoint. These questions are meant to determine the exact indication within a category of which the extent has been agreed upon.

These are often questions which can only be answered in a positive or a negative way or multiple-choice questions such as: is it “this” or “that”?

Examples: *Is this your final bid?*  
*Can you deliver on May 1<sup>st</sup>, or is it going to be June 1<sup>st</sup>?*

## 4. Leading questions.

Function: to force somebody into the direction which weakens his or her position.

Examples: *Do you really find your proposal realistic?*  
*Aren't you interested in a discount of 10%?*  
*Shouldn't we discuss another aspect?*  
*Did you think about the international market situation?*

## 5. Directive questions.

Function: to conclude a certain phrase by means of a summary or a conclusion.

Examples: *Apparantly you are interested in our product; may I know under what conditions you want to use it?*  
*Do you really agree with our offer on these terms?*  
*I understand that exact agreements on the terms of delivery are important to you, but is the term of three weeks really essential for you?*

## Answers

Answers can be distinguished to the extent to which they

- a. give information asked for
- b. give a suggestion about the negotiation space
- c. avoid the question

Example: *What is your final bid?*

Possible answers:

- a. *My final bid is \$ 5.00 per piece*  
*or My bid depends on the quality of your product and also on the terms of delivery.*
- b. *That will exceed your expectations by 100%!*  
*or That is, just for you, \$ 5.00 per piece, but at that price, I'll make nothing out of it myself.*



or *Do you already want to discuss the price?*

- c. *Our bid depends on your conditions.*  
*or I haven't got enough information to answer that question.*  
*or (Silence)*

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### Asking questions and summarizing show that you are listening

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Questions force listening and speed things up, so by using more open questions in the beginning and asking for the deal by a closed type of question at the end, you can speed up the negotiation process. For example, the repetition of argumentation or a summary could be used to go from one stage to the next in the negotiation. This strategy proves that you, as a negotiator, are listening carefully. By summarizing each stage, you draw up the contract bit by bit. A good check to see if you have understood your opponent and have agreed on a particular point is to ask a summarizing question:

*Did I understand you well? Can we conclude that (...)?*

Questions restrict the space of  
negotiating more and more  
on the way to an  
agreement

In summary, the key ideas about the speaking/listening process are

- o Listening is more important than speaking.
- o You have plenty of time.
- o Questions speed things up.
- o Summarizing is your scoreboard.

## **7.4 How Can You Increase the Quality of Your Negotiation Strategy at Home and Abroad?**

When negotiating with an opponent who was born in a foreign country and culture, misunderstandings often occur because of cultural differences. It is important to understand the negotiation style or interaction strategy used by your opponent and to know how you can react to it in the best way, whether your opponent shares your cultural background or not. For example, consider the way your opponent goes from one speaking turn to another House-Edmondson (1982) proposes the typology of Figure 7.4 which is based upon English-German encounters.

### **Figure 7.4 Negotiation Strategies**

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*Steering* – serves to prevent conversational drift.

*Grounding* – anticipates a possible “why”?

*Sweetening* – anticipates various objections the hearer might raise.

*Disarming* – anticipates possible complaints

*Expanding* – anticipates a “tell me more”.

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Interaction strategies in negotiating may depend on either culture or personality

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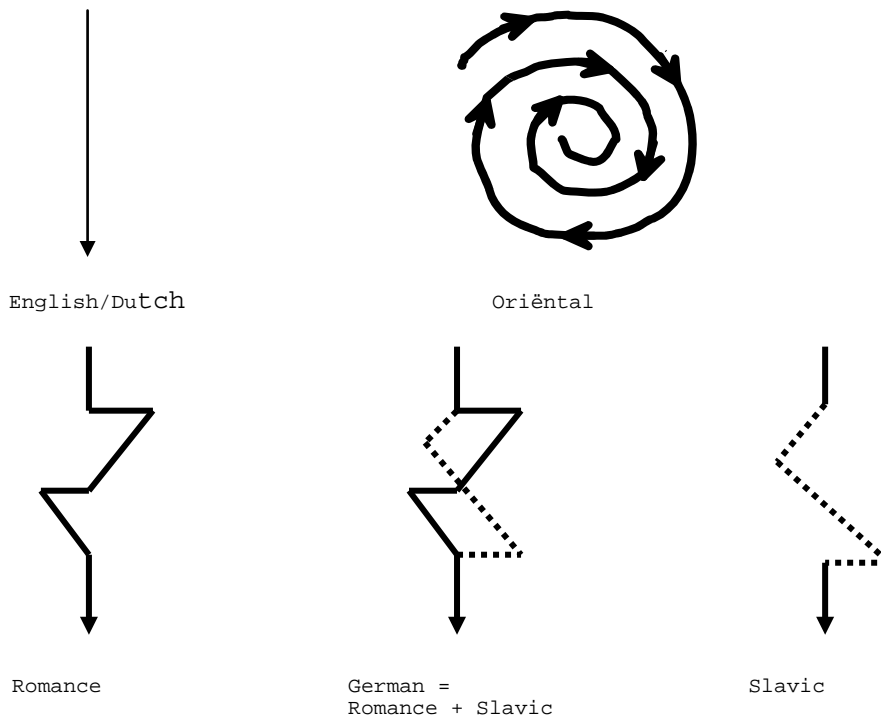
The basic terms presented in Figure 7.4 are often used to describe negotiators according to the strategies they use. People who *steer* direct the negotiation to avoid any digressions or conversational drifts from what they think is the main line of thought. *Grounders* spend a lot of time in explaining why they are doing things or why you should buy their products. *Sweeteners* give you the impression that they try to avoid conflicts, arguments, or objections which they consider to be harmful for a long-term relationship. They are afraid of losing face in such confronting situations and thus they pursue a harmonious agreement. *Disarmers* take a defensive attitude; they try to prevent any complaints about their proposal, offer, or product, even if there seems to be no basis for that. People who *expand* cannot stand silence. They tend to be open-minded, to digress easily from the main line of thought, and to give you all the information you need.

All of these personal strategies are the result of interactions of a number of elements within a negotiator including personality and culture. During the negotiating process, the mutual perceptions of the negotiators are important. For example, you might consider yourself to be a sweetener whereas your opponent might see you as a grounder or expander. Your opponent may also make judgements about your probable negotiating strategy because of his knowledge of cultural stereotypes. For example, steering is supposed to be Dutch or English, grounding French or German, sweetening and disarming have an Oriental flavor, and expanding is often French or Latin. The primary question is: do you recognize the negotiation style of your opponent and how do you react to it? What judgments do you make about your foreign born opponent?

All these suggested labels are hypotheses which have to be tested carefully to be sure that people do not stereotype each other more than they already do. House-Edmondson's findings (1982), might not be so easily generalize to real cross-cultural negotiations. It is interesting that when international negotiators are successful, they tend to attribute their success to their own personality; however, when they fail, they blame it on the cultural differences of their opponent. The issue of whether success in international negotiation is more a matter of culture or of the personality of the negotiator is the subject of a study by de Jong, Hendriks and Poortinga (1992). The preliminary results seem to indicate that, at least for Western cultures, personality has a stronger impact on negotiation success than does cultural background. This might be different, however, for encounters between Western and Oriental negotiators. Because of the strong effect of culture on the Oriental negotiator's personality, he may have less freedom to negotiate as an individual than does a Western negotiator whose culture reinforces the personality traits of independence and individual decision-making. (Assignments 1 and 2 at the end of the chapter

contain questionnaires which can be used to locate and analyze international negotiation problems of a cross-cultural nature.)

**Figure 7.5 A Variety of Cultural Styles of Organization of Discourse**



Source: Kaplan (1966)

The above stereotypical interaction strategies seem to correspond with patterns of thought processes as reflected in written language. Kaplan (1966) analyzed compositions written in English by students with different cultural backgrounds, such as French, Spanish, and Russian. These compositions, written on the same subject, had paragraph structures which diverged in a systematic way from the English paragraph structure and thus reflect a different line of thought. Kaplan then correlated these different text structures with the historical typology of language families, such as Romance, Germanic, and Slavic. Figure 7.5 presents a visualization of these differences in styles of organization for some cultures.

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Kaplan's hypotheses on culture-bound paragraph structures are useful for international negotiation

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The *English* line of thought (US and UK) is linear, focussed, and direct without digressions and it is monochronic, handling only one thing at a time. It is hypothesized that the Dutch think that they are similar to this. The *Romance* approach (Latin: French, Spanish, Italian, etc.) allows for digressions. The "side-paths" are clear and fit into a rational line of argument which is polychronic, discussing several things at the same time. In the *Slavic* culture, the rather long digressions seem to be irrelevant to the central topic but they often pertain to a

hidden strategy of the negotiator. *German* discourse is a combination of the Romance and Slavic approaches and accepts both functional and non-functional "exkurse" (digressions). By contrast, consider the example of the *Oriental* culture (Japan, China, Korea, etc.), which has an indirect approach moving in a circular pattern, turning around the subject. There is never a direct *no* given because that would mean loss of face. These patterns were verified for written text which follows some general standards; however, since spontaneous oral discourse might differ from written discourse, these differences are only presented as hypotheses.

After interviewing IBM personnel in 40 countries, Hofstede (1983, 1991) used a combination of multivariate statistics (factor analysis) and theoretical reasoning to describe four criteria or dimensions of a national culture. He defined these dimensions, which can exist largely independent of each other, as

1. Individualism versus Collectivism--the place assigned to an individual in the community.
2. Large or Small Power Distance--the relationships with senior persons
3. Strong or Weak Uncertainty Avoidance--the need to regulate the unknown future in order to reduce uncertainty.
4. Masculinity versus Femininity--the sex-role pattern expressed by male assertiveness as opposed to female modesty.

Hofstede assigned an index value between 0 and 100 to each of the 40 countries on each of these four dimensions. Using cluster analysis, he was able to regroup the countries into eleven cultural areas. The cultural areas which relate to the European countries Hofstede researched are listed below:

Cluster	Cultural Area	Country
1 and 6	Less developed Latin	Portugal
3 and 4a	More developed Latin	Belgium
		France
		Spain
		Italy
8 and 10	Germanic	Austria
		Germany
		Switzerland
9	Anglo	United Kingdom
		Ireland
11	Nordic	Denmark
		Finland
		Netherlands
		Norway
		Sweden

These cultural areas, which generally overlap with the geographical zones of Europe (e.g., Southwest, Central, Northwest) can be combined with the historical typology of language families. The less developed and more developed Latin nations belong to the Romance language group. The Germanic, Anglo, and Nordic cultural areas belong to the Germanic language group. While Hofstede included Finland and

Greece in his research, their languages did not fall into the above categories.

Hofstede did not include IBM personnel in the former Socialist countries of Central and Eastern Europe, but Kaplan did include Slavic (Russian) in his cultural typology of written texts. Hofstede's cultural groupings and Kaplan's cultural clusters have been combined into the framework of Figure 7.7. Although it cannot be said that management styles and cultural and linguistic typologies automatically relate to negotiation styles, it is interesting to see in this table that there is some systematic variation.

Figure 7.6 Cultural & Linguistic Typologies Within Europe

Region	Cluster	Country	Language	
Southwest	3,4,6	Belgium	French	} Romance
		France	French	
		Italy	Italian	
		Portugal	Portuguese	
		Spain	Spanish	
Central	8,10	Austria	German	} Germanic
		Germany		
		Switzerland		
Northwest	9	Ireland	Anglo:English	
		United Kingdom		
	11	Belgium	Dutch	
		Denmark	Danish	
		The Netherlands	Nordic:Dutch	
		Norway	Norwegian	
		Sweden	Swedish	
East	?	Hungary	Hungarian*	} Slavic
		Bulgaria	Bulgarian	
		Poland	Polish	
		Serbia and Croatia	Serbo-Croatian	
		Russia	Russian	

\* Hungarian is NOT a Slavic language. Together with Finnish, it forms a family of its own

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Confucian dynamism might help explain the international trade success of the Far East

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In later studies, Hofstede was able to convincingly demonstrate that culture (and, therefore, language) affects the international competitiveness of businesses. In a replication of his studies for Far East countries, he had to add a fifth dimension:

Confucian dynamism (including such factors as respect for age and tradition, persistence, parsimony, fear of loss of face and sense of shame). These factors strongly correlated (0.70) with growth in national wealth for countries such as Japan, Taiwan, South Korea, Hong Kong, and Singapore (Bond & Hofstede, 1989). By contrast, in Western countries the GNP correlated highly (0.82) with individualism.

In a review of all of his studies, Hofstede (1991) concluded that each dimension of cultural programming could have advantages and disadvantages in international business. As a smart international negotiator in business and technology, you can use this information to prepare yourself for international encounters. Certainly, generalized information about the different cultural or language backgrounds should not be wrongly used as the foundation for prejudice but rather as a possible help to prevent possible misunderstandings or to explain miscommunications which might occur.

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#### How does the other party see you?

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The earlier Dutch/French negotiation example shows that the direct-confrontational Dutch approach leads to an evasive reaction by the French. The Dutch consider the French with their *esprit cartésien* as chaotic (sic!), whereas the French think: *Ces Hollandais, ils parlent mieux le français qu'ils ne le comprennent.* (Those Dutch, they speak French better than they understand it.) On the one hand, Dutch negotiators see themselves as "to the point," but their British counterparts consider them to be blunt. The mutual perception is again important.

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#### Possible sources of misunderstanding

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For which aspects of the negotiation process could you expect possible misunderstandings? Here are some examples:

- o *Staging*: Latin and Oriental cultures require long preparations and opening sessions.
- o *Listening*: For Japanese, for instance, nonverbal communication is so important that they prefer to listen to "what is not being said." They pay careful attention to nuances and to body language.
- o *Time*: Differences in staging result from the fact that Latin and Oriental cultures are polychronic as opposed to the English and Dutch which are monochronic. Differences in listening behavior relate to a higher silence tolerance some cultures such as the Japanese. Silence does not mean *your price is too high but let me think, so that I can understand your offer.* Therefore, when the Japanese negotiator uses pauses or is even just silent, you should not "interrupt" but should let him think. An American negotiator learned this fact the hard way. The American offered an apparatus to a Japanese client for \$100,000. While the Japanese sat silently, the American dropped his price to \$10,000 within 10 minutes, just because he was so impatient and intolerant of the silence. The negotiation session was so poor that the client was not happy, even though he got the product he

wanted at a very low price. Price is absolutely not the top priority in Japan, but keeping good relationships is. The setting of the price of a product in Japan is so consensus bound and carefully prepared that it is difficult for a Japanese to understand that an American would reduce a price so easily just because he is impatient to get the deal. The result of this cross-cultural mismatch is that a good relationship is in serious trouble.

- o *Questions:* Cultural differences determine whether it is acceptable to ask direct questions or whether that might be embarrassing. The open Dutch question in the previous example only leads to an avoidance by the French negotiator. However, in this case, even with this cultural mismatch in the questioning process, this negotiation was successful at the very end.
- o *Negatives:* In international negotiations, simple words such as *yes* and *no* can be interpreted quite differently. In nonWestern cultures, when you say *no*, it is interpreted as a rejection of the other party. That is why nonWesterners will sometimes say *yes* when they really mean *no*; therefore, it is important to be able to recognize the hidden *no* in a cross-cultural negotiation. To make your communication more positive, use positive words as much as possible, suggest a compromise, and always refer to a positive future. If you must say *no* during a negotiation, explain why you are having to refuse an offer *before* you say the word *no*.

As can be seen in Table 7.1, for both mono- and intercultural settings, skilled negotiators do the following: study proposals carefully, listen carefully, summarize and ask questions, avoid disagreements, and avoid irritating or attacking their opponent.

Table 7.1 Successful Negotiation Tactics

Negotiation Behavior	Skilled Negotiators	Average Negotiators
Use if irritators per hour of face-to-face negotiating time	2.3	10.8
Frequency of counterproposals per hour face-to-face negotiating	1.7	3.1
Percent of negotiator's time classified as defense/attack spiral	1.9	6.3

Percent of all negotiator's behavior immediately preceded by a behavior label		
Disagreeing	0.4	1.5
All behavior except disagreeing	6.4	1.2
Active listening and testing for understanding	9.7	4.1
Summarizing	7.5	4.2
<b>Negotiation Behavior</b>	<b>Skilled Negotiators</b>	<b>Average Negotiators</b>
Questions, as a percent of all negotiating behavior	21.3	9.6
Feelings commentary, giving internal information as a percent of all negotiating behavior	12.1	7.8
Argument dilution, average number of reasons given by a negotiator to back each argument or case advanced	1.8	3.0

Source: Rackham, 1976\

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### Culture: a matter of adapting or understanding?

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The above guidelines can serve in all your negotiations inside or outside the company, at home or abroad, in a selling or a buying situation. An open-minded listening approach does help prevent any unintentional misunderstandings. However, *understanding* does not mean *adapting* or *accepting*.. Mutual adaptation seems to be a good compromise, but a supplier may wish to adapt to his client, a visitor to his host, and a small firm to a big firm. An example of an adaptation decision may be whether to use the opponent's native language, your native language, or a third neutral one in an international negotiation. Figure 7.8 provides some suggestions for better business negotiations. If you want to check your own or another's capacity for listening, summarizing, and asking questions, see Assignment 1 for a questionnaire.

### Figure 7.7 Suggestions for Better Business Negotiation

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1. Allow for pauses and use them to think ahead.
2. Listen to nuances.
3. Be as positive as possible.
4. Ask questions.
5. Be flexible about your negotiation style.
6. Digress if it suits the negotiation situation.
7. Pursue a mutual adaptation if it is in your interest; if not possible, try to adapt.

### Summary

Negotiation is a communication process which requires more than one person



representing different entities, such as political parties, departments, organizations, or industrial firms. For negotiations to be successful, there are a number of key issues which should be analyzed and understood. It is necessary to get a clear picture of each party's negotiation situation and position. An understanding of the negotiators' listening and speaking processes helps you to understand how information is being processed during the negotiation session. The cultural background for the negotiators can have a strong effect on how the session progresses and on whether misunderstandings occur. The more you know about your opponent's culture, the easier it is to avoid miscommunication. Once you have analyzed your own negotiation situation and have learned how to focus on your opponent(s), you also have the means to check on the general negotiation process in your company or organization. The services of societies, such as the American Association for Business Communication and the Dutch Negotiation Society "Francois de Callieres" with their journals, including the *Harvard Negotiation Journal* and the *International Journal of Intercultural Relations* can assist in updating negotiation and cultural knowledge in view of new markets such as Central and Eastern Europe, the New Industrialized Countries (NIC's) in the East, and third world countries. Since the best approach is listener-oriented communication, the International Listening Association is also a valuable resource.

## Study Questions

1. Expand on the definition of negotiation given in this chapter. Think of a recent negotiation you were involved in for business or private reasons (for instance, selling or buying a secondhand car or negotiating an increase in an examination grade as a student or in your salary as an employee). How did the different elements of the definition apply to your situation?
2. Stalpers and Ulijn give a classification of the phases in the negotiation process.
  - a. How are the phases classified according to these authors?
  - b. Using the negotiation example from question one, analyze the progress of your negotiation, in accordance with this phase classification.
3. What are specific kinds of questions which are typically used during a negotiation session? Give examples of some specific questions from one of your negotiations. How were questions used to support the progress of this communicative process?
4. What kind of listening and speaking behavior is recommended during a negotiation? Think of one of your recent negotiation sessions and analyze the turn-taking strategies used. What effect did the specific listening/speaking behavior of each negotiator have on the process?
5. Psycholinguists have demonstrated that every speaking engagement (this means every time one gets up to speak during a negotiation until one stops speaking) has a fixed *time structure*.
  - a. What is this structure and how can a listener use this?
  - b. Which methods can be used in order to listen more actively? Give examples of active listening during one of your recent negotiation sessions.

6. Pauses within turns and silence between turns during an international negotiation can tell us something about:
  - a. The nature of the speech production process (see also question 5);
  - b. Competitive or cooperative approaches;
  - c. Cultural differences.
 Give one or more examples of a negotiation fragment between two speakers and show those 3 aspects are reflected.
  
7. The cultural background from which one is negotiating determines the style of negotiations as well as the time spent on each phase of the session.
  - a. What are specific examples of some cultural differences in the way time is managed?
  - b. How does negotiating style vary from one culture to another. Give specific examples to support your answer.
  
8. Which language do you prefer when you are carrying on a technical business negotiation with somebody from abroad: a neutral language, the opponent's language, or your own language? What are the advantages and disadvantages of each choice? If you have ever negotiated with a foreign client, use that experience to support your answer. (Use the information from Chapter 2 as well as from this chapter to answer this question.)

## Assignments

### *Assignment 1: Questionnaire about the strength of listening*

Directions: Judge your negotiation opponents on the following matters:

1. Do your negotiation opponents *want* to listen or do they keep pushing, flattening-the same way a bulldozer does, so that the listener is overwhelmed and cannot listen any more?
2. Do your negotiation partners *listen selectively*, i.e., listen only to the items which are to their own benefit (*wishful listening*)?
3. Are your negotiation partners *able to listen objectively*. Do they *respect* the other person's *arguments* even if they do not agree?

As a check for questions 2 and 3: Are you able to *repeat* what the negotiators just said, either word for word or in your own words?

4. Are your negotiation opponents listening *actively* by using such nonverbal strategies as smiling, making intensive eye contact, nodding, or by using verbal feedback signals such as *oh yes, indeed, really, go ahead, or tell me*
5. Are your negotiation opponents listening *actively* by, for example, interrupting in order to *summarize* or to *recapitulate* by means of remarks such as
  - o *Do I understand you correctly? You want to say that . . .*
  - o *Let's see if I can follow what you are telling me. According to you, the situation is as follows . . .*

- o *You might be right with what you're saying. Let's see if I can explain it. What strikes me is . . .*
  - o *Do you mean that. . .*
6. Are there many intervals between the turns or do the negotiators *interrupt* each other in order to begin a monologue?
  7. Do your negotiation opponents listen "*between the lines*" by paying attention to nuances in order to locate hidden meanings? Do the speakers mean something other than what they are saying and do the listeners understand this? Interpret body language and look for inconsistencies in the other party's argument.
  8. Do your negotiation opponents make *notes* during the session?
  9. Do your negotiation opponents *anticipate* the next turn by listening and, at the same time, thinking about the next question?
  10. Do the negotiators hamper each other's listening comprehension by speaking *excessively*?

*Assignment 2: Questionnaire about cultural factors in international negotiations (constructed by Erwin Hendriks, Tilburg University)*

Goal: To attain insight in the experiences of businessmen and engineers who are involved in international negotiations

Directions:

1. You should form groups of three to four persons.
2. Each group takes one type of function or position to survey e.g., export manager, product manager, sales engineer).
3. Each individual interviews three businesspersons on the basis of the enclosed instructions and questionnaire. The businesspersons should have comparable amounts of experience in international negotiations.
4. For each interview each person keeps the following elements in mind:
  - o starting with an introduction to the interview
  - o making notes on all answers
  - o making use of follow-through questions if necessary
  - o ending with a conclusion to the interview
5. Each member of the team should write up the interviews by summarizing each one and then comparing the results.
6. The members of each group should come together to analyze the results of the interviews.
7. Each group should make a report of its findings and conclusions.

Interview schedule: "Cultural factors in international negotiations"

Name of interviewer:

Name of interviewee:

Place:

Date:

Introduction:

The interviewer should incorporate the following items in the introduction to the

interview:

1. Goal of the interview: Gathering of information on (a) the role and influence of cultural factors in international negotiations and (b) the way in which negotiators prepare themselves for international negotiations.
2. Structure of the interview: First asking questions on negotiations with one particular culture; then asking questions about the preparation process for negotiations.
3. Length of interview: Ideally 45 minutes, maximum 60 minutes
4. Tape recording: Audio recording of the interview is desirable for a proper analysis of opinions. The tape will be replayed only by the interviewer.
5. Results: The interview will be analyzed with other interviews and will be reported in a paper for fellow students; parts of the interview might be used as quotations in that report; if so, fictitious names of persons and organizations will be used.

Start of interview (time):

*Part A: Questions on negotiations with one specific culture*

1. To what extent is your organization involved in international negotiations, i.e., intercultural negotiations *between* your own organization and other foreign organizations?
2. To what extent are there intercultural negotiations *within* your organization?
3. To what extent are you *presently* involved in international negotiations? Note: If the answer amounts to *hardly at all*, then continue with question 4; otherwise go to question 6.
4. To what extent have you in the *past* been involved in international negotiations?
5. How long ago was this?
6. With which cultures or countries do you have negotiating experience?
7. With which of these cultures do you have *the most experience*? Note: Several of the following questions pertain to this particular culture (= .X. .)
8. ..X.. is included in the following list of 20 countries. Indicate for each of the countries whether they show *major* or *minor* cultural differences compared to your own culture?

Belgium  
Brazil  
Canada  
France  
Germany  
Hungary  
India  
Italy  
Japan  
Mexico  
Nigeria  
Poland  
People's Republic of China

Commonwealth of Independent States  
Saudi Arabia  
Thailand  
The Netherlands  
United Kingdom  
United States  
..X..

Note: For this question, it is advisable to use a special card on which all 20 countries are listed, each accompanied by a four-point response scale ranging from "major differences" to "minor differences." The interviewee should be encouraged to clarify his or her answers.

9. What are your most important criteria for classifying the countries?
10. Have you ever experienced a situation in which *lack of knowledge* about cultural factors resulted in a *difficult* or even *unsuccessful negotiation process* with members of culture ..X..? Note: If the answer is 'yes', then continue with question 11; otherwise, go to question 12.
11. Please give some *details*, on that negotiation situation. Note: Continue questioning until all of the following aspects have been covered!
  - o subject of negotiation
  - o goal of negotiation
  - o place of negotiation
  - o number of individuals involved
  - o duration of negotiation
  - o cultural factors involved
12. Have you ever experienced a situation in which *knowledge* about cultural factors resulted in a *successful negotiation process* with members of . X . .? Note: If the answer is *yes* then continue with question 13; otherwise go to question 14.
13. Please give some further *details*, on that negotiation situation. Note: Continue questioning until all of the following aspects have been covered:
  - o subject of negotiation
  - o goal of negotiation
  - o place of negotiation
  - o number of individuals involved
  - o duration of negotiation
  - o cultural factors involved
14. Have you had comparable experiences (i.e., failure or success as a result of knowledge about cultural factors) with other cultures? Note: If the answer is *yes*, then continue with question 15; otherwise, go to question 16.
15. Please give some further *details*, on that negotiation situation. Note: Continue questioning until all of the following aspects have been covered:
  - o subject of negotiation
  - o goal of negotiation
  - o place of negotiation
  - o number of individuals involved
  - o duration of negotiation
  - o cultural factors involved
16. One last question on negotiations with members of culture ..X.. . What are your

tips for the young negotiator when he or she is dealing with culture ..X.. for the first time?

*Part B: Questions on preparations for negotiation sessions.*

1. In preparing individuals for international negotiations, does your organization employ any of the following techniques:
  - o hire experts/consultants to inform negotiators?
  - o use simulated negotiations where members of your own organization play the role of opponent?
  - o teach courses on intercultural negotiations?
  - o keep business files in which particulars on the cultural background of counterparts are noted?
  - o encourage reading of literature on foreign customs?
  - o provide coaching by an experienced mentor? Note: Continue questioning until all of the aspects have been covered.
2. To what extent is your participation in negotiations with culture ..X.. a result of the following capabilities and requirements:
  - o knowledge of language?
  - o commercial spirit?
  - o knowledge of foreign social customs?
  - o specialized professional knowledge?
  - o knowledge of foreign business styles?
  - o function within organization? Note: Continue questioning until all of the aspects have been covered.
3. Do you prepare yourself on the cultural aspects of international negotiations? Note: If the answer amounts to *no* then conclude with question 4; otherwise, conclude with question 5.
4. Why not?
5. To what extent do you use the following sources of information
  - o specialized literature on foreign customs?
  - o business files?
  - o foreign colleagues within the company?
  - o foreign business friends outside the company?
  - o media (e.g., newspapers, magazines, television)?

### ***Conclusion***

The interviewer should incorporate the following items in the conclusion to the interview:

1. Tape recording:
  - o Are there any passages on the tape which you would like to have deleted?
2. Results:
  - o Are you interested in having a copy of the transcript of the interview?
  - o Are you interested in a copy of the report?