Public Service International Training Centre

Intercultural Negotiations Techniques

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Content

1. Intercultural negotiations: the role of intercultural competences.

In the age of globalisation leaders and officials in Public Administration increasingly have to work in international institutions, organizations and in cross-cultural environments either within one office or across borders. In these environments approaches to management, expectations, decision making, planning, conflict resolution and communication styles may be very different. A challenge for all of them is to manage friction and misunderstandings coming from cross-cultural differences successfully. Intercultural/cross-cultural competency is the term used to describe the ability to work with people (colleagues, personnel, partners…) coming from different cultures and who haveg different working styles in the area of communication, time management and conflict resolution.

The Intercultural Negotiation module aims to develop intercultural skills and competences, to examine miscommunication across diverse cultures, examine different types of communication and to develop skills for effective cross-cultural communication.

2. Culture. Perceptions of cultures[1].

There are countless definitions of culture. The Dutch cultural anthropologist Geert Hofstede refers to culture as "collective programming of the mind". The Dutch Business consultant Fons Ttrompenaars often draws on the helpful definition "culture is the way in which a group of people solve problems" . Culture consists of patterns, explicit and implicit, of and for behavior acquired and transmitted by symbols, constituting the distinctive achievements of human groups, including their embodiment in artefacts; the essential core of culture consists of traditional (i.e. historically derived and selected) ideas and especially their attached values; culture systems may, on the one hand, be considered as products of action, on the other, as conditional elements of future action.

In the world of intercultural communication there is general agreement that culture covers a wide area, ranging from artefacts and objects to values, beliefs and philosophies. Culture is

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[1] Intercultural Training Foundation Course. Assist GmbH, Germany, 2010.

a universal phenomenon. All people live in a specific culture and continue to develop the culture together. Culture is the "shared map" a given group has of the world.

Culture refers to the total way of life of a particular group of people. It includes everything that a group of people thinks, says, does and makes. Culture is learned. Culture is the sum total of all the beliefs, values and norms shared by a group of people. Culture means patterned ways of thinking, feeling and reacting. Culture is the framework that forms the rules, norms and assumptions that guide behavior.

Culture is "the collective programming of the mind, which distinguishes the members of one human group from another." (Geert Hofstede, *Cultures and Organizations: Software of the mind)* **"It's the way we do things round here"**.

Perceptions. Intercultural communication is a process by which two individuals who do not belong to the same culture `try' to exchange a set of ideas, feelings, symbols.. .meanings." Since they do not belong to the same culture, it "implies that they do not share the same assumptions, the same ways of thinking, feeling and behaving. This phenomenon makes the communication process much more difficult and challenging than we think." (Pierre Casse). The result of our many different cultural standpoints means that: 'Pure' communication is impossible, as we all bring prior associations to the, communication process.

- We communicate in many ways, and much of our communication is unconscious.
- We see what we expect to see. We don't see what we don't expect to see.
- We all perceive things differently. Our perceptions are filtered through our culture.
- Our life experiences teach us to perceive the world in certain ways.
- Perceptions are learned, selective, culturally determined, consistent and often inaccurate.
- Culture is an important factor in perceptions. A culture creates a common way of looking at things and determines what facts are important.

In summary, we create the reality upon which our communication is based. We bring prior assumptions and associations, many of which are culturally based, to the process of communication. We can never assume that the assumptions we operate under are the same for everyone, particularly when we are engaged in cross-cultural communication.

3. Modelling culture. Stratification of culture. Values and norms[2].

Each culture favours certain values, thought patterns, and worldviews, and every society has dominant cultural norms. As we have seen, many of these aspects of culture are not visible; we are not even aware of them unless we reflect on them. But observing the surface aspect of culture can help us work out and understand the often unconscious values and norms which influence and guide these surface aspects. The way we use language, the way we behave are influenced by our values and norms.
Also artefacts of a culture may tell us a lot about the underlying values of a culture.

There is one model or analogy of culture that defines the concept of culture well; and that is the iceberg. The iceberg perhaps lends itself best to this as it so graphically demonstrates the idea of having both a visible and invisible structure.

The iceberg has a visible tip. These are the areas of culture that we can see manifest in the physical sense. In addition, more often than not these are the elements that we come into contact with first when diving into a new country or culture. Such "visible" elements include things such as music, dress, dance, architecture, language, food, gestures, greetings, behaviours devotional practices, art and more. In addition it can also relate to behaviors such as seeing people doing things that may seem more or less strange, right, acceptable, unacceptale to us. Depending on your own culture, you will interpret these behaviors differently.

None of the visible elements can ever make real sense without understanding the drivers

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[22] Intercultural Training Foundation Course. Assist GmbH, Germany, 2010.

behind them; and these are hidden on the bottom side of the iceberg, the invisible side. It is these invisible elements that are the underlying causes of what manifest on the visible side. So, when thinking about culture, the bottom side of the iceberg will include things such as religious beliefs, world views, rules of relationships, approach to the family, motivations, tolerance for change, attitudes to rules, communication styles, modes of thinking, comfort with risk, the difference between public and private, gender differences and more.

So for example, why do the English queue for everything? This relates to their approach to fairness, justice, order and rights. The rationale behind the queue is that those that get there first should by rights be served first or get on the bus first. Many other cultures simply do not queue in this manner as it is not part of their cultural programming.

4. **Key cultural dimensions. Task or relationship. Attitude to time. Attitude to information. Attitude to hierarchy and status.**[3]

Key cultural dimensions. To help describe and explain the variation in attitudes and behaviour of different cultures, well known cross-cultural specialists such as Edward Hall, Geert Hofstede and Fons Trompenaars have formulated a number of cultural dimensions. The most relevant of these dimensions are presented below, each in the form of a continuum, because differences in culture are a matter of degree.

Task or relationship Some cultures are very task focused; they want to get down to business and get on with things, and to 'separate the people from the problem'. Other cultures have more of a focus on relationships. Their priority is to get to know their business partners, and to build a network: business cannot be separated from the people you do business with and the relationship you have with them. Fons Trompenaars (Dutch) and Charles Hampden-Turner (British) call this dimension 'specific — diffuse'.

Attitude to time The American anthropologist, Edward T. Hall, has written extensively about the concept of time. His thesis is that different cultures have different attitudes towards time.

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[3] Intercultural Training. Train the Trainer course material. LTD Consulting., Great Britan, 2013.

He distinguishes between `monochronic' or a linear / strict sense of time and `polychronic' or a flexible sense of time. The British interculturalist, Richard Lewis, uses the terms 'linear-active', 'multi-active' and 'reactive'. Trompenaars and Hampden-Turner use the terms `sequentialism' and 'synchronism.

Monochronic = linear time cultures	Polychronic / Flexible time cultures
• Focus on one thing at a time • Concentrate on the task • Take time commitments (deadlines, schedules) seriously • Like to have detailed information	• Are happy with short term relationships which are necessary to achieve the task • Do many things at once • **Are** easily distracted and subject to interruptions • Consider time commitments and objectives to be achieved if possible • Get the information they need from their network - Have a strong tendency to build long lasting relationships before tackling a task

Attitude to information Edward T Hall has also written extensively about another dimension of culture — attitudes to information. He distinguishes between cultures which he calls low context' (where information is explicit) and 'high context' (where information is implicit). Trompenaars and Hampden-Turner's dimension of 'specific — diffuse' has a certain similarity with Hall's ideas here. information is explicit. In the low context cultures, information is explicit, in the high context cultures, information is explicit.

Attitude to hierarchy and status Some cultures are very egalitarian; they believe in an equal status for everyone. Their expectation is that all individuals have a right and

responsibility to participate in decisions, to share ideas. This is what the Dutch sociologist and intercultural 'guru', Geert Hofstede, calls low power distance'.

Other cultures are more hierarchical. They have respect for status and authority and a chain of command. The general idea in these cultures is that ideas and suggestions come from the top down, not the bottom up. This is what Hofstede calls 'high power distance'.

5. **Key cultural dimensions. Group or individual. Attitude to certainty and uncertainty. Attitude to rules[4].**

Group or individual Another important dimension of culture is that of 'individualism' on one side and 'collectivism' or 'group orientation' on the other. This again is one of Hofstede's dimensions. Trompenaars and Hampden-Turner call it 'individualism - communitarianism'. Individualist cultures like to single out people for their achievements, and reward them publicly. Credit and responsibility is given to individual team members for their own performance. Collectivist cultures are more group orientated. They like to share accountability and responsibility among the group. Individual accomplishment and initiative are discouraged or downplayed. People don't want to stand out from the group.

Attitude to certainty and uncertainty Another important dimension of culture is the degree to which people need to be sure about things, to plan well in advance.
Cultures where people tolerate uncertainty and ambiguity are happy to work without too many fixed rules, to plan for the short term and to change plans quickly when necessary. In Hofstede's terms, they have 'weak uncertainty avoidance'. Iin other cultures people feel threatened by uncertainty or unknown situations; they try to avoid ambiguous situations, preferring well-structured situations and clear rules. This is what Hofstede calls a 'strong uncertainty avoidance' culture.

Attitude to rules A final dimension of culture, which is described by Trompenaars and Hampden-Turner, is the degree to which people feel that rules should always be followed, no

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[4] Intercultural Training. Train the Trainer course material. LTD Consulting., Great Britan, 2013.

matter who is involved. They call it the 'universalism — particularism' dimension. Universalist societies tend to feel that general rules and obligations are a strong source of moral reference. People in universalist cultures seek to follow the rules in all cases, even when friends and relatives are involved. They assume that their standards are the right standards. Particularist societies are those in which particular circumstances are more important than rules. Bonds of particular relationships (family, friends) are more important than impersonal rules. They would argue that how you react to a situation has to depend on the circumstances.

6. Communication. Words. Behavior. Artefacts or material things[5]

Communication is clearly a complex process. We communicate in many ways other than language. Thinking about the three aspects, *words, behavior* and *material things* can help us to focus on this area of complexity.

Sharing a common language is a necessary first step towards communicating across cultures. In the global professional and business world, English is increasingly used as that language. However, words and expressions can be invested with very different meanings in different cultures. If a British person arranges to have a *meeting* with Chinese or French colleagues, then it is quite probable that the expectations of what constitutes a "normal" meeting will be different on both sides. As another example, people from indirect communication cultures may say "that's an interesting point" or "that could be difficult" when they mean what would be "no, we don't agree" or "it's not possible" in a more explicit communication culture. Messages are also communicated through behavior. As with other aspects of culture, we tend to notice behavior which is different from our own. It is very often through observation of behavior that we develop our perceptions of other cultures. In Britain we don't shake hands with colleagues at work. We also communicate through artefacts or material things. The kind of clothes we wear can, for instance, convey a different message in different cultures. How buildings and offices are organised also tells us something about culture in places where status is important this may well be reflected in furnishing, size, location and general organization.

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[5] Intercultural Training. Train the Trainer course material. LTD Consulting., Great Britan, 2013.

7. Cross-Cultural Communication[6]

Communication is the act of transmitting messages, including information about the nature of the relationship, to another person who interprets these messages and gives them meaning (Berlo, 1960). Therefore, both the sender and the receiver of the message play an active role in the communication process. Successful communication requires not only that the message is transmitted but also that it is understood. For this understanding to occur, the sender and receiver must share a vast amount of common information called grounding (Clark & Brennan, 1991). This grounding information is updated moment by moment during the communication process. Probably all of us have noticed how people who have extensive common information can communicate very effectively with a minimum of distortion. For example, hospital emergency room personnel depend on sharing a great deal of information, such as medical jargon and the seriousness of the situation, in order to communicate complex messages efficiently.

Cross-cultural communication is significantly more demanding than communicating in a single culture because culturally different individuals have less common information. They have less grounding because of differences in their field of experience (Schramm, 1980). In this chapter, the term *cultural field* refers to the culturally based elements of a person's background (e.g., education, values, attitudes) that influence communication.

The communication process involves the sender of the message, a channel through which the message is transmitted, and the receiver of the message. All of these elements are embedded in their respective cultural fields. The message is encoded (converted to symbolic form) and sent by some means (channel) to the receiver, who then interprets (decodes) the message. The effectiveness of the communication depends on a lack of distortion, which can occur at all the stages of the communication process.

Finally, all of the factors that affect the sender also influence the receiver. The symbols must

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[6] Thomas, David C. Cross-Cultural Management. Essential Concepts. Sage. 2008.

be decoded into a form that can be understood by the receiver. just like the sender, the receiver must be skilled in the channel in use and also have sufficient knowledge to interpret the message correctly. As in any cross-cultural interact, the ability of receivers to accurately perceive the communication behavior is influenced by their cultural field. In addition, the extent to which the cultural fields of individuals overlap reduces the opportunity for distortion in the communication process. That is, the more each party understands the other's situation, perspectives, and culture, the easier it is to use symbols that will be encoded and decoded similarly.

First, the encoded message can be affected by the communication skills and knowledge of the sender and by the associated cultural field. That is, we cannot communicate what we do not know, and our ability to encode accurately is determined by our skill in the chosen channel (e.g., speaking or writing). In addition, like all behavior, much communication behavior is scripted and proceeds in a routine manner consistent with the cultural field. For example, in North America the response to "How are you today?" is often "Fine, thanks!" without any real consideration being given to one's actual physical condition, and the Chinese response to the common greeting "Have you eaten yet?" is similarly automatic.

Second, the symbols a person uses to express an idea vary with the cultural field. This includes not only the language used but also aspects of communication that transcend language, such as communication style, conventions, and practices. We might think that people would choose a different communication channel depending on the goal of the communication: written for task-oriented communications and verbal for relationship-oriented communications, for example. However, the reality seems to be that convenience and skill in the use of the medium are more important (Kayany, Wotring, & Forrest, 1996). Today, for example, e-mail and text messaging substitute for a variety of communication channels for those who know how to use them.

8. Nonverbal communication. Eye-contact. Space and touching. Silence. Turn-taking. Communication style[7].

A lot of research has been carried out into the importance of non-verbal communication in different cultures. One figure often quoted in the US and UK is that 56 per cent of the impact of a presentation is visual — the clothes the person wears, their body language and the visual support they use.

Apart from how we dress, non-verbal communication can be broken down into some of the following elements.

Eye-contact

In many Western cultures, maintaining eye contact shows trust, confidence, interest, etc. Avoiding eye contact suggests that the person many not be trustworthy. In Asian cultures, avoiding eye contact is a sign of respect.

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[7] Intercultural Training. Train the Trainer course material. LTD Consulting., Great Britan, 2013.

Space and touching

All cultures maintain a "comfortable " distance between people. In some cultures this distance may be very close, almost touching. In others it is much more distant. In some cultures, such as Spain and parts of Latin America, your colleagues will touch your arm or shoulder when making a point; it is not a sign of intimacy, only of communication. And in your culture.....?

Silence

Silence is the sign of a good listener; or is it? In many Western cultures, especially in central and southern Europe, it is expected that you will actively show you are listening by commenting — "I see", "that's interesting", "really", etc. You may also interrupt people. In these cultures, silence suggests a lack of interest, boredom, ignorance or even sleep! It makes the speaker uncomfortable. But in other cultures, being silent while others speak is a sign of respect or concentration. What is the role of silence in your culture?

Turn-taking

Related to silence is turn-taking. How do you know when it is your turn to speak? Do you wait to be invited? Do you wait till the other person has finished? Or do you just interrupt when you see an opportunity to do so. Having different turn-taking conventions from other people can cause problems and confusion. What is the protocol on turn-taking in your culture?

Communication style

The part language plays in cross-cultural communication cannot be overestimated. The communication style we have is part of visible, observable culture, and therefore affects people's perception of us. The following are some of the communication styles which are common in different cultures.

9. Stumbling Blocks in Intercultural Communication. Language difference. Language difference. The presence of preconceptions and stereotypes. Tendency to evaluate. High anxiety (tension/stress)[8].

Stumbling Blocks in Intercultural Communication by LaRay M. Barna

Assumption of similarities

We mistakenly assume that there are a sufficient number of similarities among peoples of the world to make communication easy.

This assumption is based on the fact that we have common biological and social needs. Furthermore, if we assume everybody is the same, we do not have to deal with difference — it is comforting.

We have to realize that there are no universals of "human nature" that can be used as a basis for automatic understanding. We have to assume differences.

Language difference

Problems related to language differences arise due to the fact that we cling to just one meaning of a word or phrase in the new language, as well as to different styles of using language: direct - indirect; expansive-succinct; argumentative conciliatory; instrumental-harmonizing.

People from different cultures inhabit different sensory realities. They see, hear, feel and smell only that which has some meaning or importance to them. That is, we interpret nonverbal signs and symbols through the frame of reference of our own culture and this will most likely

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[8] **Stumbling Blocks in Intercultural Communication** by LaRay M. Barna In: Intercultural Training Foundation Course. Assist GmbH, Germany, 2010.

lead to misunderstandings.

The presence of preconceptions and stereotypes

Stereotypes help reduce the threat of the unknown by making the world predictable and in this way stereotypes increase our feeling of security when we are in a foreign country. However, stereotypes interfere with objective viewing of stimuli and are therefore a stumbling block in intercultural communication.

Tendency to evaluate

We assume that our own culture or way of life is the most natural and judge others by our standards. Based on our own culture and way of life, we approve or disapprove of the statements and actions of the other person or group. Instead we need to be open-minded and examine attitudes and behaviors *from the other's point of view*

High anxiety (tension/stress)

When going abroad we are attacked by verbal, nonverbal, physical and psychological stimuli often very different from the stimuli we are used to. This causes us to feel stress and anxiety. Too much anxiety or tension requires some kind of relief, often in the form of defenses. Defense mechanisms prevent the listener from concentrating upon the message and defensive recipients distort what they receive.

10. Culture and communication in social interactions and meetings[9]

Culture is an integral part of all aspects of the communication, especially in professional field.

Social interaction[10]

Key cultural areas to focus on:

- building relationships — important or not; how to do it, how long to spend

- use of names, titles, forms of address

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[9] Intercultural Training. Train the Trainer course material. LTD Consulting., Great Britan, 2013.
[10] Intercultural Training. Train the Trainer course material. LTD Consulting., Great Britan, 2013.

- forms of greeting — hand shakes, cheek kissing, bowing, `namaste'; other non verbal communication; words and phrases — *mahlzeit (Germany), have you eaten (Singapore, South India, South Korea)*

- small talk — how important, topics to choose, any taboos, how long it lasts

- hospitality, entertaining, giving gifts — how important, what is offered, how are gifts wrapped and received

- use of language — formal / informal; direct / indirect; personal / impersonal

- non-verbal communication — body language, proxemics, silence, touching

- time — what does it mean to be on time

Meetings[11]

- organisational aspects — time keeping, use of agenda, role of chairperson, purpose of the meeting (decision making, information sharing), who attends, minutes, seating arrangements, refreshments

- formality vs informality — forms of address, small talk at beginning, etc.

- turn-taking — interruptions, use of mobiles, when / how to speak, silence

- communication styles — neutral / emotional; formal / informal; direct / indirect; explicit / implicit style; structured / unstructured; conflictual / consensual

- active listening — to show interest, to check and clarify, including others

- non-verbal signals — showing interest, agreement, disagreement, frustration, irritation, etc. Body language in general

- argumentation and discussion — how much, how 'emotional', how intense, how confrontational. Is harmony important?

- decision-making — in the meeting (consensus, majority vote, unilateral), after the meeting (by who); use of action points; verbal vs signed agreements

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[11] Intercultural Training. Train the Trainer course material. LTD Consulting., Great Britan, 2013.

11. Culture and communication in Negotiations and in telephoning, conference call[12]

Negotiations

Key cultural areas to focus on

- role of relationship building — how quickly down to business; how do you build trust? Degrees of formality — forms of address, use of titles, dress.

- high or low context style — amount of information needed or exchanged; avoiding uncertainty and ambiguity.

- linear or flexible — work through an agenda, stick to timetable; or digress easily, circle around issues, be organic.

- argumentation — impersonal and based on facts; or emotional, passionate, based on feelings.

- style of language — direct style when exchanging information or indirect language to avoid commitment or confrontation. Role of face saving. What does 'yes' mean? Role of silence. Body language — eye contact.

- bargaining — limited and controlled, based on credible facts and reasons; or a game. How are concessions traded? Win - win vs win - lose.

- decision-making — taken on the spot with delegated authority or referred to a higher authority (group vs individual)

- hierarchy — who has the power, who does the talking? Age, gender and status of participants. Seating arrangements — who sits where and why?

- reaching agreement — written contract or on trust; 'flexibility' of contracts

Telephoning, conference call[13]

Key cultural areas to focus on

- protocol - time zones (when to phone), chairing

- answering, greeting, opening remarks — introduction, use of names; small talk or straight down to business

- style — formal, impersonal, friendly, humorous

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[12] Intercultural Training. Train the Trainer course material. LTD Consulting., Great Britan, 2013.
[13] Intercultural Training. Train the Trainer course material. LTD Consulting., Great Britan, 2013.

- turn taking — interrupting, waiting your turn, silences, speaking up

- active listening — acknowledging, confirming, checking and clarifying

- direct, to the point vs indirect, non committal

- written follow-up — done, how detailed, how quickly?

12. Conflict. Negotiation: conflict at negotiation[14]

Conflict is the perception of opposing interests. Conflict occurs when people are interdependent, need to share resources, and find that they have opposing interests concerning how those resources should be distributed.[1] Not all conflicts turn into disputes. Contracts are carefully crafted and relationships carefully cultivated to minimize misunderstandings that lead to disputes. Yet neither the contractual nor the relationship approach to minimizing disputes is foolproof within cultures, much less across cultures. Claims are made and rejected because not every contingency can be anticipated at the time a contract is signed and not every difference in interpretation can be identified and resolved in advance. Disputing is often emotional. People tend to take the rejection of their claims personally. Deal making can become emotional, but deal-making negotiations do not normally start out with outraged, angry, hurt, unhappy negotiators. Dispute resolution negotiations often do. Disputes over goals and resources (called task conflict) and disputes over means, including the dispute resolution process itself (called procedural conflict, may easy spill over into interpersonal conflict, with each party blaming the other. When claims are made and rejected, peoples' self-respect is affronted. Once an event is framed as an insult, emotions are engaged and dispute resolution negotiations may not only have to resolve the issues in dispute but also have to restore the honor and self-respect of the disputants. Let's look at three basic approaches to dealing with these difficult situations.

Negotiation: conflict at negotiation[15]

Negotiation is the process by which people with *conflicting interests* determine how they are going to allocate resources or work together in the future. Negotiators are *interdependent*,

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[14] Fells, Rax: Effective negotiation. From Research to Results. Cambridge university Press. 2012.

[15] Fells, Rax: Effective negotiation. From Research to Results. Cambridge university Press. 2012.

which means that what one wants affects what the other can have and vice versa. Because negotiation involves conflicting interests and interdependence it takes some skills to be an effective negotiator. One of the purposes of this book is to help you improve your negotiation skills. Another is to get you prepared to negotiate with people who do not share your cultural background, people who you cannot assume even think about the process of negotiations in the same way you do.

Negotiation is not just for making deals. People use, or should use, negotiation skills for resolving disputes and reaching decisions in teams and other multiparty environments. Let's begin by briefly visiting deals and these other venues in which negotiation occurs, before moving on to understanding what negotiators are trying to accomplish, the general nature of negotiation strategy, and how to plan for a negotiation.

In all the different negotiation venues described in the previous section, negotiators are trying to reach a net value outcome: an agreement that is better than their alternative of no agreement. Looking at negotiations from the perspective of net value outcomes has four important implications. First, identifying the no-agreement alternative helps negotiators clarify what they need in order to reach an agreement. Second, identifying the other party's no-agreement alternative helps negotiators identify how much they can ask for at the negotiation table. Third, thinking net help negotiators avoid satisficing—that is, accepting an outcome just a tiny bit better than the alternative. Thinking net helps negotiators stay motivated to find an outcome that is much better than their alternative. Fourth, thinking net helps negotiators recognize that they need to develop a strategy, if they are going to achieve a high net value outcome. It's important to distinguish between two overlapping types of deal-making negotiations: distributive (competitive) and integrative (cooperative).

There are five fundamental building blocks of negotiation strategy: parties, issues, positions, power, and targets. The Negotiation Planning Document is a useful tool for building a coherent negotiation strategy. it is important to have clear the objectives (max., min., real) the positions, the priorities and the interests related to every issue of both parties. Finally, it is
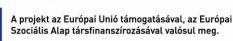
absolutely important to defy the BATNAs (Best Alternatíve to Negoatiated Agreement) of both.

Strategic choices refers to how negotiators implement their negotiation strategies: how they act and react at the negotiation table. Don't overlook the word *react*. Negotiation is social interaction. What transpires at the negotiation table is a function of negotiators' plans, their enactment of those plans (negotiation behavior), and their response to the other's negotiation behavior. Negotiators have two fundamental areas of strategic choice about how they will act at the table; one area relates to what we call *confrontation*, the other to what we call *social motivation*. The choices negotiators make in these areas depend on their personalities, their cultures, and characteristics of the negotiation situation and the other party. Depending on the combination of factors, some choices are more likely than others to facilitate negotiating a high net value outcome.

Three Criteria for Good Deals Versus Bad Deals. The first criterion is the net value. The second is the transaction costs of negotiating, including developing relationships. The third involves the long-term realization of anticipated gains. A net value deal is one that is better than the negotiator's best alternative if no agreement is reached at the negotiating table. Negotiators need to be concerned about joint gains – their own and the other party's net value—for two reasons. First, an offer that produces net value for one negotiator and not the other will not generate a deal. Second, when negotiators fail to pay attention to the other party's net value, they leave money on the table that no one gets. Why is this so, you may ask? The short answer is that when negotiators fail to pay attention to each other's interests and to incorporate those interests into offers that trade off positions on low-priority issues for positions on high-priority issues, they do not take advantage of the maximum potential in their deal. The example developed in this chapter illustrates leaving money on the table. It also explains how to use strategy in global negotiations to generate high individual and joint net value deals.

13. Dispute resolution at the Negotiation[16]

There are three approaches to resolving disputes: negotiators can identify their interest and integrate them; they can try to determine who has rights under some standard of rules, contract, law, or precedent; or they can determine who has more power and the weak party can concede.

Conflict and disputes are inevitable within and between negotiators and organizations. Cultural differences add misunderstandings, miscommunications, and misattributions to the disputing environment. Thus cross-cultural negotiators must be well prepared to resolve disputes. Preparation requires understanding cultural differences in why and how claims are made and rejected and how disputes are resolved across cultures.

In many cultures third parties facilitate the resolution of disputes. Disputants do not always have the option of choosing whether to involve third parties. Third parties may be imposed on disputants by cultural norms or the action of the other disputant. Third parties may also take it upon themselves to intervene, perhaps motivated by a feeling of responsibility to preserve communal harmony. Whether you choose to or are compelled to involve a third party in your dispute, it is useful to have a systematic way of thinking about the implications for dispute resolution of different third-party roles.

14. Cross-Cultural Negotiations[17]

Culture affects a two-party negotiation, but the relationships between culture and negotiation is not simple and straightforward. The research to date indicates quite clearly that the link between culture and negotiation is complex. The first two reasons are why this link between culture and negotiation is not straightforward: not all members of a culture behave like the cultural prototype, and cultural profiles overlap. A third reason for the complexity of relationship between culture and negotiation is that cultures are not composed of single

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[16] Fells, Rax: Effective negotiation. From Research to Results. Cambridge university Press. 2012.

[17] Brett, Jeanne M. Negotiating Globally. Jossey-Bass. A Wiley Company. San Francisco. 2007.

features. Cultures have profiles of features. Single cultural features may be more or less important, depending on the profile in which they are embedded. Given the state of the research, we can make only general statements about single cultural features and negotiation strategy.

Negotiations generally move through stages of positioning, information gathering, generating solutions via information consolidation and persuasion, and reaching agreement. What negotiators do in the first half of the negotiations has significant implications for the joint gains that they generate at the end.

Distributive negotiations with a single issue and fixed pie of resources normally take a straightforward application of distributive negotiation strategy. Negotiations with integrative potential, and realistically almost any negotiation with multiple issues, do not take a straightforward application of integrative strategy. Instead negotiations with integrative potential, normally move through stages in which distributive and integrative strategies share dominance. And not surprisingly, culture matters. Choices about negotiation strategy depend on where one is in the normal progression of negotiations from beginning to end and the need to move negotiations ahead from one stage to another. Choices also depend on the strategic behavior of the other party, and that is influenced by culture.

Negotiators have a common dilemma in their mind: they want information about the other party's interests and priorities to combine with their own interests and priorities, construct trade-offs, and create integrative value. But at the same time negotiators are reluctant to reveal information about their own interests and priorities. Remember, sharing information in negotiation makes you vulnerable; when you share information about your interests and priorities, the other party knows what you are willing to give up and what you must have.

Negotiators are less successful if they have only the vaguest idea about the other party's interests and priorities. They can agree because if the offer is better than their BATNAs, but they remain uncertain about whether the agreement was as good as it could have been.

A standardized global negotiation culture is unlikely anytime soon. Cultural differences in negotiation strategy are not trivial; rather, they are deeply embedded in cultural contexts that cue and reinforce their use. Culturally based negotiation strategies are used within many social, political, and economic contexts within a culture. Negotiators with multicultural experience tend to switch between one culturally based strategy and another depending on contextual cues; they do not blend them.

Cultural differences in negotiation strategy are significant. Negotiators from different cultures send different parties to the table (principals versus representatives or agents); have different positions, interests, and priorities (depending on psychological factors but also on the economic, social, or political context); can view power from the perspective of social status or BATNA (alternatives); can prefer to confront directly or indirectly; have different social motives (individualistic, cooperative, competitive); and communicate with varying degrees of directness.

To be effective in a global environment, negotiators need to develop knowledge structures and skills with confrontation and communication strategies that come from other cultures. They need a storehouse of creative approaches for handling challenges to cooperation in multiparty situations. They need to cultivate tolerance and respect for the positions, interests, and priorities that people from different cultures bring to the negotiating table. Finally, they need to know when not to accommodate. They need to have an ethical standard that meets personal, corporate, and legal criteria and will carry them through situations of corruption, bribery, and extortion.

15. The global negotiator. golden rules and cross-cultural conflict management[18]

When working with people from other cultures, things may seem similar at first, but rarely are.

Keep in mind the following golden rules:

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[18] Intercultural Training Foundation Course. Assist GmbH, Germany, 2010.

- initial impressions can be misleading

- behaviour can be interpreted differently

- different rules often apply

- "What is normal to us may not be normal to other cultures".

- "We make assumptions based on our own set of rules; yet they are often different from other people's rules"

The seven rules when dealing people from other cultures[19]

in dealing with people from other cultures, we can't afford to be too *sure* of ourselves. Here are seven key points to keep in mind

Lesson One
Don't assume sameness.

Lesson Two
What you think of as normal behaviour that everyone will share and understand may be cultural. Before you project your norms onto others, consider that your values might not be shared.

Lesson Three
Familiar behaviours may have different meanings. The same behavior— saying yes, or shaking your head, for example—can exist in different cultures and not mean the same thing. Just because you've recognized a given behavior, don't assume you have therefore understood it.

Lesson Four
Don't assume that that what you meant is what was understood. Check for signs that the other person did or did not understand you.

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[19] Intercultural Training. Train the Trainer course material. LTD Consulting., Great Britan, 2013.

Lesson Five

Don't assume that what you understood is what was meant. Again, check and clarify your understanding.

Lesson Six

You don't have to like or accept "different" behaviour, but you should try to understand where it comes from.

Lesson Seven

Most people do behave rationally; you just have to discover the rationale.

Cross-cultural conflict management

The following steps may be helpful when problems occur in intercultural relationships

Observe actively - When disturbed or confused by an incident that you experience, take a close look at exactly what has happened or is happening.

Describe - Make a mental description of what, specifically, it is that disturbs you in the situation.

Allow multiple interpretations - Your cultural background and your cultural orientation system are likely to lend the situation a particular meaning. Remember that in another context in another culture, what you experience can have a totally different meaning.

Suspend evaluation - Invest the time and effort in finding out what the disturbing behavior really means in that culture. Do your homework, refer to neutral third parties from, or acquainted with, that culture.

Listen actively - Make a conscious effort to listen to what you hear. Be aware that your cultural "map" will automatically lead you to filter and interpret what you hear.

Understand perspectives - The more time you can spend understanding the values, beliefs and attitudes of members of other cultures, the higher your chances of long-term co-operation with minimal conflict.

Establish rapport - Turn the focus to what you have in common and what you can learn from each other. Remember that all cultures are equally good.

Save face - Make it possible for all parties to feel appreciated and respected. Loss of face is a major cause of intercultural conflict. Be aware of your own need to keep your face, too.

Develop WIN-WIN solutions - When the ground has been laid for mutual co-operation and understanding, the willingness to work creatively together on solutions which are good for all parties paves the way for a conflict-free future.

As Brett refers (Brett, Jeanne M. Negotiating Globally. Jossey-Bass. A Wiley Company. San Francisco. 2007), excellent global negotiators know that to make deals, resolve disputes, and reach decisions across cultural boundaries, they must exercise strategic flexibility and engage in cultural accommodation.

Although culture will very likely affect negotiators' interests and priorities, negotiators need do nothing out of the ordinary to integrate those interests once they understand them. It is the process of understanding negotiators' interests that is likely to require strategic flexibility when negotiating across cultures. So long as strategy stays within ethical boundaries, excellent global negotiators are concerned less about the negotiation process, than that their interests are met.