

Cross-Cultural Negotiations: What Really Matters

Letter to the Editor (1)

John Graham and N. Mark Lam's article "The Chinese Negotiation" (2) provides necessary cultural information for Americans negotiating in China. However, Americans can run into trouble if they treat this advice as a list of cultural how-tos. How to interact and communicate given that cultural background is just as critical as the information itself. Otherwise, that background information is reduced to fortune-cookie wisdom. Distinguishing American and Chinese views so starkly can breed an us-versus-them mentality. Variations in emphasis, expression, and degree exist, but individualism and collectivism are two halves of a whole in both America and China. At least two cross-cultural fundamentals must be in the mix to successfully negotiate in China.

First, a negotiator has to take into account the individuals involved. For example, an American that invites the Chinese counterpart out to dinner because the American believes that's culturally correct may miss the signals that the other person wants to go home early to see his or her children before bedtime. Both are trying to accommodate each other, and yet they both end up doing something they did not want to do. Group information should be treated as a theory to be tested and not as a fact. Many Chinese businesspeople have spent significant time in the United States for education or work, which means they have already negotiated with Americans on American cultural terms. Learning the individual's way of thinking and preferences is as imperative as the cultural information.

Second, a negotiator needs to look at the dynamics and context of the specific situation. Knowing the roots of each other's culture is important. But the way in which an individual uses that information is as important. Neither side usually expects the other to abandon its own culture when entering into a negotiation. It is not assumed that either side gets every cultural nuance right. Both sides must adjust to each other and to unique values and protocols that exist in various business sectors.

In a sense, the negotiation is not just over the deal and the relationship; the parties must negotiate how they negotiate with each other.

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(1) Harvard Business Review, February 2004

(2) John L. Graham, N. Mark Lam, *The Chinese Negotiation*, Harvard Business Review, October 2003 (http://harvardbusinessonline.hbsp.harvard.edu/b01/en/common/item_detail.jhtml?id=R0310E)

Summary: Most Westerners preparing for a business trip to China like to arm themselves with a list of etiquette how-tos. Such advice can help get companies in the door and even through the first series of business transactions. But it won't sustain the prolonged, year-in, year-out associations Chinese and western businesses can now achieve. During the authors' work with dozens of companies and thousands of American and Chinese executives over the past 20 years they have witnessed communication breakdowns between American and Chinese businesspeople time and time again. The root cause: the American side's failure to understand the much broader context of Chinese culture and values. Americans see Chinese negotiators as inefficient, indirect, and even dishonest, whereas the Chinese see American negotiators as aggressive, impersonal, and excitable. Such perceptions have deep cultural origins. Yet those who know how to navigate these differences can develop thriving, mutually profitable, and satisfying business relationships. Four cultural threads have bound the Chinese people together for some 5,000 years and these show through in Chinese business negotiations: agrarianism, morality, the Chinese pictographic language, and wariness of strangers. Ignore them at any time during the negotiation process, and the deal can easily fall apart.