

SINO-WESTERN NEGOTIATING STYLES

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ABSTRACT

Understanding Sino-Western negotiation represents an urgent agenda in view of the fact that the Asia Pacific region is poised to become the hub of economic activity in the next century, and with the bulk of the players being of Chinese ethnicity. This paper explores the different negotiating styles of the Chinese and the Westerners: the former tending towards a relational approach and the latter adopting a transactional approach. It analyses the main cultural reasons behind such a divergence, i.e. collectivism/individualism, and high-context/low-context communication patterns. Furthermore, Chinese collectivism has been critically shaped by the influence of Confucianism.

I. INTRODUCTION

Cross-cultural negotiation can often turn out to be both a frustrating and an exhausting experience, depending upon the extent to which the participants remain ignorant of the other's cultural habits and ways. Quite frequently, such a negotiation fails to produce the intended outcome not for want of substance or commitment, but owing to pitfalls in the process itself. We tend to take communicative processes for granted, in the sense that we think that our meanings ought to be understood through the words we utter, or gestures displayed. This is the starting point for mistakes to occur. Even in a monocultural setting, words can be misinterpreted and meanings mishandled. In a cross-cultural environment, the instances for miscommunication are more than likely to abound. Sino-Western negotiation, on a wider scale, is an inevitability as we move towards the Pacific Century,¹ and represents a challenge to the uninitiated. This paper will attempt to highlight the different dominant styles inherent in Chinese and Western negotiations and analyse the main reasons underlying their divergences.

The term 'Chinese' as used in this paper refers to a Chinese person who upholds traditional, predominantly Confucian, values; and the term 'Westerner' refers to one with an Anglo-Saxon origin subscribing to individualistic ideals. There is no 'pure' Chinese or Western negotiator: it is a matter of dominance in terms of one's leaning towards values inherent in either Chinese or Western culture. What suffices for the moment is the average person in whom one can recognise the typical traits to be raised below.

Additionally, what needs to be qualified is that a negotiation is a dynamic and organic exercise with many variants, and each negotiator has to face

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1 B C Goh, *Negotiating with the Chinese*, Dartmouth Publishing Company, Aldershot, 1996, pp7-10. The coinage is adapted from, *inter alia*, H Bedi, *Understanding the Asian Manager. Working with the Movers of the Pacific Century*, Allen & Unwin, Sydney, 1991, and R Elegant, *Pacific Destiny: Inside Asia Today*, Hamish Hamilton, London, 1990.

the next one afresh. The possession of cross-cultural knowledge is an invaluable asset, but one cannot expect that the next negotiation will always be the same. Rather, relevant cross-cultural knowledge may help one in predicting behaviour, but one has to be constantly prepared for the unexpected. In short, we have to continually analyse our cultural assumptions.

II. CHINESE RELATIONAL VS. WESTERN TRANSACTIONAL STYLES

The writer's proposition is that, in the main, the Chinese profess a relational style of negotiation as opposed to the Western transactional style of negotiation. In the writer's opinion, it is important to be *aware* that such a fundamental difference does exist. The next step is then to be sensitive to the cultural rules at play, and remain alert to them. The point is that most negotiators engaged in a cross-cultural (Sino-Western in our case) negotiation make the mistake of assuming that most, if not all, negotiators act, behave and think alike. In a business or commercial negotiation, it may be easy to see why such an assumption holds sway: this is because profit is the underlying motive and negotiators try to employ skills and strategies which come across as common to them. But, be that as it may, culture plays a silent, but significant role.

A relational style of negotiation emphasises the people involved, rather than the deals. This is to be contrasted with the transactional style of negotiation whereby the emphasis is placed upon the deals, rather than the people concerned. It must be stressed that these styles differ on a matter of degree. To highlight the difference, for instance, the relational style aims at, firstly and primarily, a long-term good ongoing relationship between the parties. Even if the deal may be very attractive in the long run, the fact that there is no possibility of a permanent relationship will tend to put off the average Chinese negotiator who professes to be relational. This does not mean to say that relationships are not important to the transactional negotiators. As mentioned before, it is a matter of degree. The transactional negotiator concentrates on the deal, and is less concerned with building any good relationship with the counterpart. However, if a deal can be procured and parties become good friends, the goodwill is seen as a bonus but not an essential component of a negotiation. In the relational approach, the lack of friendship or goodwill spells disaster. Consequently, in negotiating with the Chinese, an emotional investment in relationships is pre-requisite to commencing effective business ventures.

It is commonly observed in a Chinese negotiation that parties are interested in each other's welfare by the kind of questions exchanged at the beginning of the negotiation. Such questions often pertain to personal and family health, children's education and career achievements. The negotiation is also characterised by the lengthy meals and extensive socialising, and if one is in a foreign land, by escorted sightseeing trips. These are traits associated with relationship building, crucial for the development of personal trust which is considered fundamental by the Chinese negotiators.

Contrast this style with the one familiar to the average Westerner. In the beginning, there is the deal. And in the end, there is the deal. Time spent on unnecessarily lengthy meals and irrelevant sightseeing trips is costly, wasteful and inefficient. It does not appear to get anybody anywhere

near to deal-making. So what if one is not making friends. In the end, the balance sheets count and one is answerable to the Board. The Western negotiator is intent on putting pen to paper, preferably on the dotted line. Relationships are seen as peripheral to the advancement of a negotiator's self-interests. There is, therefore, little motivation in cultivating firm personal associations.² In this connection, Hall comments that "in the United States, personal relationships and friendships tend to be somewhat transitory".³ Quite naturally, there exists a tendency to pursue short term goals.

At this stage, what needs to be made clear is the fact that in any negotiation, ultimately, the end result is the deal. However, in a typical Sino-Western negotiation, the process leading to such an end result is reached in different ways. For the Chinese, if the relationship-building fails, there is virtually no deal. For the Westerners, the deal is independent of the relationship. Therefore, for anyone engaged in a Sino-Western negotiation, this difference needs to be fully grasped and appreciated. Otherwise, the missed steps are likely to be the contributors of a failed negotiation.

Culture may be attributed as the chief shapers and determinants of such divergent negotiating styles. It is beyond the scope of this paper to canvass all relevant aspects of culture. The writer shall attempt to raise the dominant and significant ones, i.e. collectivism/individualism and high-context/low-context communication variants.

III. COLLECTIVISM AND INDIVIDUALISM

As a group, the Chinese are generally well-known to be collectivists by nature.⁴ Collectivism emphasises the group as the central functionary. The self is subservient to collective needs. With regard to the Chinese, Hsu observes that their problem "has always been how to make the individual live according to accepted customs and rules of conduct, not how to enable him to rise above them".⁵ What this means is that the individual in Chinese socialisation is woven into the larger pattern of Chinese cultural fabric, not encouraged to stand apart from the rest. What is more true, in fact, is to say that the Chinese individual becomes a natural conformist as a result of the cultural restraints. Take, for example, a Chinese name. The surname comes first, followed by the given name. This at once suggests primacy on the group or the collective (be it the family, clan or some other kin). The individual easily succumbs to group needs.⁶

Further, Chinese collectivism is much influenced by Confucian precepts.⁷ Essentially, Confucianism establishes the five cardinal

2 D Barnlund, *Communicative Styles of Japanese and Americans: Images and Realities*, Wadsworth, Belmont, 1989, p 43.

3 E T Hall, *The Dance of Life: The other Dimension of Time*, Anchor Press/Doubleday, New York, 1984, p 66.

4 H Triandis, "Cross-cultural Studies of Individualism and Collectivism", in *Nebraska Symposium on Motivation 1989: Cross-cultural Perspectives*, ed J J Berman, University of Nebraska Press, Lincoln and London, 1990, pp 44-45.

5 F L K Hsu, *Americans and Chinese: Passage to Differences*, The University Press of Hawaii, Honolulu, 3rd edn 1981, p 135.

6 G Redding and G Y Y Wong, "The Psychology of Chinese Organisational Behaviour", in *The Psychology of the Chinese People*, ed M H Bond, Oxford University Press, Hong Kong, 1986, pp 267-295.

7 M Bond and KK Hwang, "The Social Psychology of Chinese People", in Bond, *supra*, n 6, pp 214-216.

relationships: that between emperor and subject, father and son, husband and wife, elder brother and younger brother, and friend and friend.⁸ These relationships are structured in a hierarchical order.⁹ If one observes one's place within the hierarchical structure, all within it will attain social harmony, the desired goal of human interaction. This is concordant with the aim of a collectivist system whereby the pursuit of social harmony is paramount.¹⁰ One has to, however, realise the fact that the attainment of social harmony is often at the expense of individual rights, where group rights count before the individual's. Social harmony also means that compromises and common interests are valued far more than individual rights. A necessary corollary is the value of inter-dependence within the group, rather than independence or self-reliance. In the Chinese context, this may also be attributed to the Confucian tenet of inter-relatedness.¹¹

Human interaction that exists in the Chinese collectivist system produces a set of vertical relations. Hierarchy puts layers of social structures in place. There is a high regard, therefore, for respect for authority. This can be seen, for instance, through the preference for personal reference on surname basis. Similarly, a hierarchical structure fosters the value of inter-dependence.

On the other hand, the goals of individualism are drastically opposed to those of collectivism. With the former, emphasis is upon self-centredness, self-realisation and self-creativity.¹² An individual is encouraged from young to develop independent and critical thinking, to be adventurous, explorative and risk-taking, and to stand apart from the crowd. As Emerson poetically puts it, "whoso would be a man, must be a non-conformist".¹³ In an individualistic society, the pursuit of rights, rather than common interests, is the chief pre-occupation. Happiness is measured in material, quantifiable, terms.¹⁴

Socialisation in a Western individualistic environment, therefore, fosters a horizontal mode of human interaction. What is commonly preferred (even though there may be minor variations) is a personal reference on first name basis, and the idea that everybody stands on equal footing. There is an apparent lack of an entrenched respect for authority, there being absent a hierarchical social structure to begin with.

IV. HIGH-CONTEXT AND LOW-CONTEXT COMMUNICATION

As Hall puts it, "a high-context communication or message is one in which most of the information is either in the physical context or internalised in the person, while very little is in the coded, explicit, transmitted part of the message".¹⁵ As argued earlier, the Chinese who are culturally collectivists by nature will tend towards a circuitous, indirect and ambiguous form of communication whereby the meanings intended are hidden in the 'context' of the communication rather than explicitly expressed. The fear of an unintentional offence, no matter how slight, is a

8 *Chung Yung (The Doctrine of the Mean)*, XX:8.

9 Redding and Wong, *supra*, n 6, p 287.

10 Triandis, *supra*, n 4, pp 45 and 51.

11 Bond and Hwang, *supra*, n 7, p 221.

12 Triandis, *supra*, n 4, pp 44,52 and 59.

13 R W Emerson, *Selected Essays*, Penguin Books, New York, 1982, p 178.

14 F L K Hsu, *supra*, n 5, pp 308-309.

15 E T. Hall, *Beyond Culture*, Anchor Books/Doubleday, New York, 1976, p 91.

real one. Therefore, a communicative style relying upon the listener for its contexting is less likely prone to offend, since the utterer is not up-front or direct. To quote Hall again,

“When talking about something that they have on their minds, a high-context individual will expect his interlocutor to know what’s bothering him, so that he doesn’t have to be specific. The result is that he will talk around and around the point, in effect putting all the pieces in place except the crucial one. Placing it properly — this keystone — is the role of his interlocutor.”

Without an appreciation of the Chinese tendency to be roundabout and indirect, it is no wonder that a Western negotiator often ends up feeling frustrated and annoyed and branding the Chinese negotiator as insincere. It is also due to this high-context style of communication that face-saving behaviour is such an important social dictate. Learning to save one’s face, and in fact, more crucially, the face of the other, is an internalised social norm for the Chinese. High-context communication serves this role, for the meaning in the context is extracted by the listener, not uttered by the speaker thereby relieving her of any potential offence.

Individualistic cultures tend towards a direct, clear, explicit and confrontational style of communication. This is because, quite often, the individual feels that he is merely dealing with another individual, unburdened by those social dictates or restraints experienced by his counterpart in a collectivist culture. In Western culture, for example, expressions such as ‘say what you mean’, ‘don’t beat about the bush’, ‘go straight to the point’ are indicators of a direct style of communication.¹⁶ Low-context communication essentially means that meanings are extracted from the words expressed, with very little left for contexting to occur.¹⁷ A listener has fewer difficulties in a low-context situation than in a high-context one. The speaker makes it her job to be clear and direct, with gestures used (if at all) to accentuate her points rather than to contain hidden yet undecipherable meanings. There is little concern for face-saving behaviour, particularly in an environment in which confrontational behaviour is not at all a bad thing.¹⁸

V. CONCLUSION

This paper has attempted to highlight the point that, generally speaking, the Chinese and the Westerners profess different negotiating styles, with the former dominated by relationship issues and the latter concerned with deal-making. They are respectively described by the writer as the relational and transactional styles of negotiation. Without an awareness that such a difference does exist in a Sino-Western negotiation, the negotiation can be very trying, or worse still, can fail. Cross-cultural negotiators bear the notion that culture, certainly, has a role to play as the silent communicator (or miscommunicator, as the case may be) but the extent to which it affects the negotiation outcome depends very much upon the individual negotiator’s relevant cultural literacy.

16 D Levine, *The Flight From Ambiguity*, University of Chicago Press, Chicago, 1985, p 28 quoted in W Gudykunst, *Bridging Differences: Effective Intergroup Communication*, Sage Publications, Newbury Park 1991, p 51.

17 Gudykunst, *supra*, n 16, p 96.

18 G Hofstede, *Cultures and Organisations: Intercultural Cooperation and its Importance for Survival*, Harper Collins Publishers, London, 1994, p 58.

In the case of Sino-Western negotiation, it is important to realise that the existence of the different approaches is primarily attributable to inherent cultural differences such as collectivism/individualism, and high-context/low-context communication variants. It will assist every cross-cultural negotiator to be cognisant of his or her own culture as well as the culture of the negotiating counterpart in order to achieve a satisfying and rewarding venture. More importantly, it will make the whole exercise more personally fulfilling and a human triumph in enhancing cross-cultural understanding.