

A Brief Analysis of Cross-Cultural Factors Affecting Sino-US Business Negotiations

Yijin Wang

Jilin University, Changchun, Jilin, 130000, China

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Abstract: China's market opening has deepened as a result of reform, opening up, and the operation of a market economy, and bilateral interactions have gradually increased. Successful cross-cultural business negotiations can enable companies to better participate in economic competition and cooperation between companies internationally and promote the burgeoning of international trade in their own countries. Cross-cultural business negotiations are becoming more and more important between nations. However, cultural differences are often a major factor in the failure of Chinese and Western business negotiations. Therefore, it is important to clarify the cross-cultural factors that influence business negotiations and the strategies to deal with them. The paper aims to analyze how cultural differences between China and the United States affect cross-border business talks and to pinpoint practical coping mechanisms. The paper summarizes the cross-cultural factors that generally affect Chinese and American business negotiations from the literature on international business negotiations and cross-cultural communication.

1. Introduction

High-speed globalization and technological progress have brought more opportunities and challenges to most countries, both developed and developing ones, around the world. China's consumption power ranks second in the world, attracting a large number of multinational companies, which means a continuously increasing demand for cross-cultural economic and trade negotiations^[1]. Since 1979, it has been challenging for China and the United States to conduct effective negotiations on economic and trade problems. Despite the relentless trend of economic and trade exchanges between the two nations, there are more unfavorable variables, such as policy and trade wars, that are hurting the smooth process and endangering bilateral trade and economic relations. Scholars and entrepreneurs have gradually realized that key details like value, thinking pattern, and language are foundational to the success of cross-cultural business negotiations.^[2] Failure in cross-cultural business negotiations mostly results from the fact that both sides have trouble understanding each other's cultural backgrounds or the impact of cross-cultural factors on the whole negotiating process.^[3] The author of this paper chose Sino-US business negotiation as the research object due to the US being the most advanced country in the world with top-notch technology and abundant intellectual resources, while China is the largest developing country in the world with great potential and a huge market capacity. The US is the main representative of Western

culture and masculine culture, while China is the representative of Oriental culture with the longest history^[4]. The comparative study of the two is of great significance to the integration of Eastern and Western cultures and global cultural exchange. The study of Sino-US business negotiations from a cultural perspective has a strong sense of practicability in this era.

2. Differences in Chinese-English Lexis

Language as a cultural carrier It might be claimed that linguistic communication mostly reflects how cultural differences affect business negotiation^[5]. Language communication is the primary and most widespread means of negotiation in the world. When negotiating, the same language is used exclusively to communicate in order to break down barriers, yet poor translation or lexical ambiguity can result in a lot of mis-communication.

Some linguistic errors are not immediately apparent during the negotiations, but are only discovered after the negotiations are over.^[6] For example, in the business negotiations between the Chinese side and the Coca-Cola Company in the United States, the lapses in language were only revealed after the meeting.

In the case of the Chinese side's business negotiations with Coca-Cola, for example, the lapse in language was only revealed after the meeting. In the business negotiations between Coca-Cola and the Chinese side at the time, the "Coca-Cola" was translated as "ke-kou-ke-la". The problem was only discovered after thousands of promotional banners had been put up, so Coca-Cola had to appoint the company had to assign a professional to sift through more than 40,000 Chinese words before they could be located. A similar linguistic error occurred during the business negotiations for the entry of the Chevrolet Nova, manufactured by General Motors in the US, into the Mexican market. In the interpretation, the interpreter only knew that Nova means "new star" in Latin, but not "Nova". The interpreter did not know that "Nova" in Spanish means "unable to run". As a result of the interpreters' lack of knowledge of the target language, the car was not renamed in time for entry into the Mexican market. As a result, the car was not sold in the Mexican market in time and the company suffered irreparable losses.

There aren't many issues with either language due to the abundance of skilled translators. Languages differ objectively, though, so it's possible that one side won't be able to fully comprehend what the other party means. The differences in currency exchange rates and weight units of commodities between China and the United States must be carefully considered in cross-cultural commercial discussions. For instance, the method for converting between the distinctive Chinese units of weight ("catty and tael") and weight ("kilogram"), and between the distinctive Chinese unit of area ("mu") and the distinctive international unit of area ("square meter"), respectively. The process of changing a "mu" (a Chinese unit of area) into a "square meter," an international measure of area.

3. Differences in Mindset

Cultural differences between the negotiating parties in cross-cultural commercial discussions invariably result in attitude disparities^[7]. The way people think is a significant additional aspect that influences cultural differences. Holistic and Analytical Thinking is a method of comprehending things based on the synthesis of various thought objects, understanding the purposes of things and their interrelationships on a broad scale.^[8] Westerners prioritize objectivity more, analyze problems logically, and break things down into smaller components for more detailed study^[9]. Perceptual and Rational Thinking is a straightforward yet ambiguous form of cognition that emphasizes a manner of thinking that digs ever-deeper through the visuals and intuition one perceives in order to get to the substance. Westerners look for an unbiased perspective on the world and their surroundings.

Ethical, moral, and even political impulses have an impact on Chinese emotional thinking, which reveals the subjectivity of the negotiator but is also constrained by emotions^[10]. The past tradition of hiring individuals can be used to illustrate the differences between Chinese and American ways of thinking. In China, hiring decisions are made "on the basis of family" and "on the basis of merit," while in the West, only "appointing individuals on the basis of talent" is used. American academic Robert Kaplan proposed the idea of spiral and linear thinking, which states that Chinese people think in a circular fashion while Americans think in a linear manner^[11]. This is illustrated by the fact that Chinese people do not begin a description of something with a clear-cut assertion, instead they first discuss the issue at hand before introducing the topic in a meandering, looping spiral. Americans, on the other hand, have a tendency to operate in a simple, linear fashion and regard everything as autonomous and developing vertically. Therefore, Chinese people converse with Americans for an extended period without the latter fully understanding what their Chinese counterparts are attempting to convey.^[12]

4. Differences in Verbal Communication

The linguist Hall provides us with a useful method for studying cultural similarities and variations in terms of insight and communication in the context of linguistic communication.^[13] The language used in business negotiations in China is serious and full of dignity and solemnity, while the language used in American business negotiations is known for its humor, with an atmosphere of wit and levity. Western business negotiators often tell jokes and make each other laugh at the international negotiating table, and their language is spontaneous and tailored to the occasion. Harmony and dispute are two important aspects of linguistic communication, and the linguist Hall provides us with another useful method for studying cultural similarities and variations in terms of insight and communication in the context of linguistic communication.^[13] The Chinese strive for harmony in their speech, leaving room for maneuver when speaking. Even when there is a dispute between the two sides, they express their opinions modestly and politely and do not utter harsh or sharp words. In business negotiations, the Chinese have always been hospitable and treat the other party as their valued guest, and their language is characterized by harmony, softness, but also strength and rapport. Americans seek to achieve the goal of communication, i.e., the purpose of negotiation, and all their words are used to achieve this goal.^[14] Through the media, it is easy to see that in Western business negotiations, the opponents are often tit-for-tat, often verbally abusive, and that anger and rage are a reflection of the negotiators' demeanor.^[15] The Chinese speak with the beauty of a winding path, while the Westerners speak with the beauty of a straightforward path, the former seeking a sense of meandering, the latter looking for a straightforward and visible meaning. In business negotiations, the language used by both sides still carries artistic qualities. Chinese negotiators speak in a roundabout way to save face and not hurt the other side's self-esteem. Western negotiators speak in a straightforward way to convey the true meaning of words without ambiguity or misunderstanding.^[16] They are usually straightforward and forthright in their views and opinions on the negotiations, and they often hear the word 'no' used in a negative sense with high frequency in negotiation settings. This is a characteristic of their speech, which is blunt.

5. Differences in Non-verbal Communication

In communication, humans also use non-verbal cues like body language in addition to words. Eye contact is a crucial component of nonverbal communication since it can transmit a wealth of information.^[17] In business situations, eye contact can be considered part of business etiquette, but cultural differences in how eye contact is made during negotiations or how a look is interpreted present completely different results in the US and China. In the US, eye contact is interpreted as

sincerity, honesty, and respect, while in China, it is seen as an expression of intimidation or anger. Facial expressions, both voluntary and involuntary, complement or completely replace verbal messages. In negotiations, it can be customary to use the expressions of the opponent as a basis for judging the negotiation trend.^[17] The context and relationship dictate the symbolic significance of facial expressions. The classic way to convey delight is to smile. In China, people consider it abnormal to smile at strangers in public, and excessive smiling is regarded as a sign of shallowness. Laughter conveys friendliness, approval, contentment, pleasure, joy, and cheer. In negotiation, an American smile can be good for livening up the atmosphere, but a Chinese negotiator may not exude a smile at the sight of the other party. Silence in communication refers to pauses and silent responses, and it has an impact on interpersonal contact because it gives participants a break from continuous speech so they can reflect, investigate or repress an emotion, encode a long response, or start another train of thought. Silence also serves as feedback, letting the sender and receiver know whether an idea or its consequences are clear. In the United States, people feel uncomfortable with silence and consider it an admirable trait to express themselves as openly and forcefully as possible.^[17] When negotiating, American negotiators avoid the behavior of no one speaking in a negotiation meeting, and both negotiators and lower-level employees enthusiastically express their ideas and opinions. However, the Chinese do regard silences and pauses highly and think that silence holds a lot of information. In negotiations, the Chinese often express disagreement through silence, and the average subordinate employee will keep his mouth shut. This cultural difference can lead the American side to take the Chinese side's silence as tacit approval or perhaps a negative attitude.

6. Conclusion

International business discussions are complex processes with many variables, and cultural variances offer insights that can aid in their accurate and efficient comprehension. Intercultural factors permeate all aspects of international business negotiations, and different intercultural factors have a profound impact on the negotiation process. In terms of values, there are three sub-categories: the collective versus individualist view of group culture, the long-term versus short-term view of time, and the spatial view. In terms of mindset, the Chinese are holistic, perceptual, and spiraling, while the Americans are analytical, rational, and linear. In terms of language communication, the Chinese and American expression styles are serious and humorous, smooth and direct, and harmonious and argumentative, respectively. Additionally, the differences between Chinese and American customs and practices could be found in three aspects: food and drink, expressions, and the way of treating people.

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