

Negotiation and Conflict Resolution

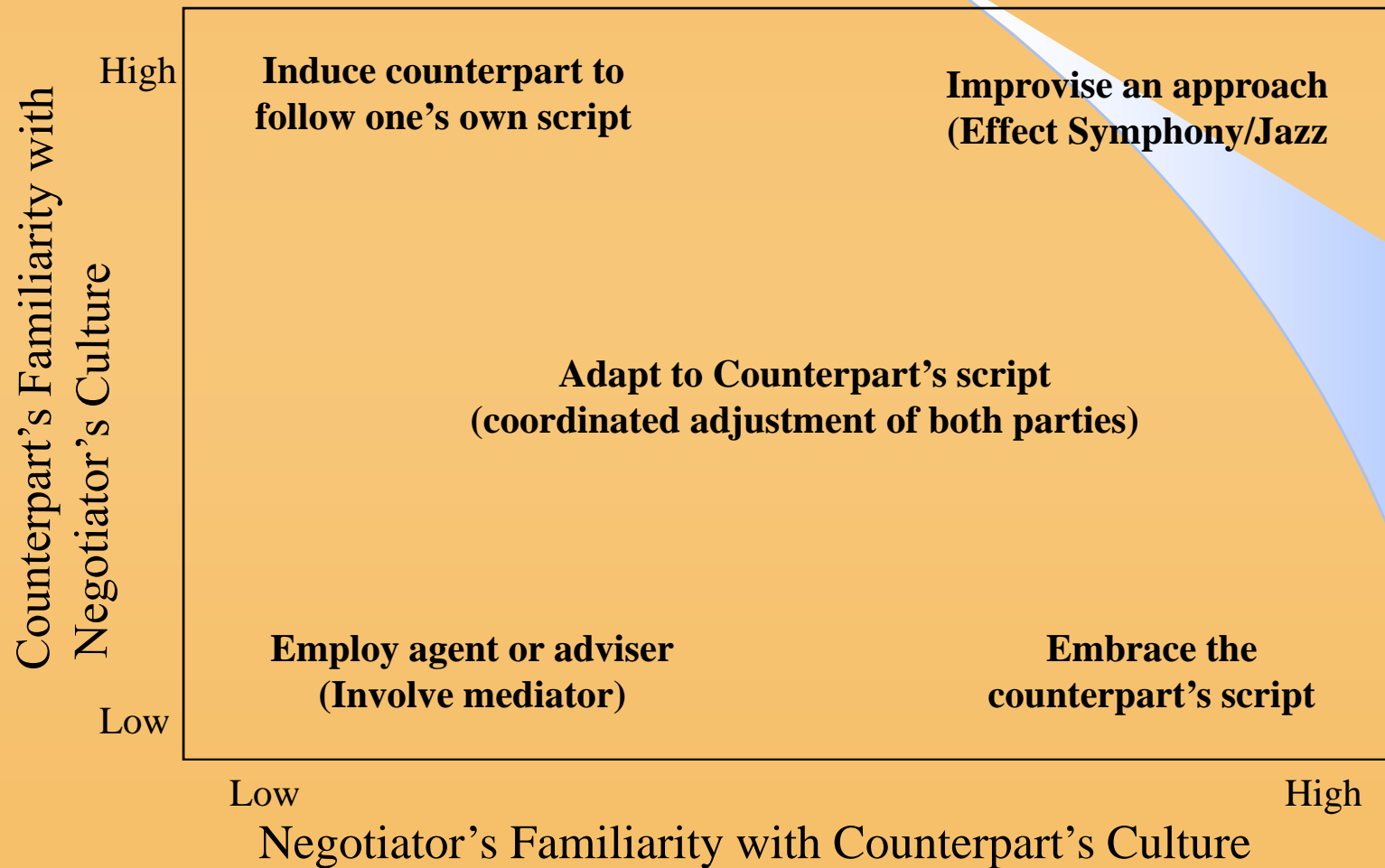
Negotiation

- The process of bargaining between two or more parties to reach a solution that is mutually acceptable

The Negotiation Process

- Preparation
- Relationship-Building
- Information Exchange
- Persuasion
- Concessions
- Agreement
 - The amount of importance and time spent on each phase is culturally determined

Choosing a Negotiation Script



Managing Cross Cultural Negotiations

- Negotiation: Process of bargaining with one more parties at arrive at solution acceptable to all
- Two types of negotiation:
 - Distributive when two parties with opposing goals compete over set value
 - Integrative when two groups integrate interests, create value, invest in the agreement (win-win scenario)

Negotiating Styles

Table 7-7
Negotiation Types and Characteristics

Characteristic	Distributive Negotiations	Integrative Negotiations
Objective	Claim maximum value	Create and claim value
Motivation	Individual-selfish benefit	Group-cooperative benefit
Interests	Divergent	Overlapping
Relationship	Short term	Long term
Outcome	Win-lose	Win-win

Source: Adapted from Harvard Business Essentials: Negotiation (Boston: Harvard Business School Press, 2003), pp. 2-6.

Table 7-8

Negotiation Styles from a Cross-Cultural Perspective

Element	United States	Japanese	Arabians	Mexicans
Group composition	Marketing oriented	Function oriented	Committee of specialists	Friendship oriented
Number involved	2-3	4-7	4-6	2-3
Space orientation	Confrontational; competitive	Display harmonious relationship	Status	Close, friendly
Establishing rapport	Short period; direct to task	Longer period; until harmony	Long period; until trusted	Longer period; discuss family
Exchange of information	Documented; step by step; multimedia	Extensive; concentrate on receiving side	Less emphasis on technology, more on relationship	Less emphasis on technology, more on relationship
Persuasion tools	Time pressure; loss of saving/making money	Maintain relation- ship references; intergroup connections	Go-between; hospitality	Emphasis on family and on social con- cerns; goodwill meas- ured in generations
Use of language	Open, direct, sense of urgency	Indirect, appreciative, cooperative	Flattery, emotional, religious	Respectful, gracious
First offer	Fair ± 5 to 10%	± 10 to 20%	± 20 to 50%	Fair
Second offer	Add to package; sweeten the deal	-5%	-10%	Add an incentive
Final offer package	Total package	Makes no further concessions	-25%	Total
Decision-making process	Top management team	Collective	Team makes recommendation	Senior manager and secretary
Decision maker	Top management team	Middle line with team consensus	Senior manager	Senior manager
Risk taking	Calculated personal responsibility	Low group responsibility	Religion based	Personally responsible

Source: Lillian H. Chaney and Jeanette S. Martin, *Intercultural Business Communication*, 3rd ed. Copyright © 2004. Reprinted by permission of Pearson Education, Inc. Upper Saddle River, NJ.

Cultural Differences Affecting Negotiations

- Cautiously identify counterpart's home culture
 - common cues such as accent and name may be unreliable.
- Be aware of Western bias toward “doing”.
 - Ways of being, feeling, thinking, talking can shape relationships more powerfully than doing.
- Counteract tendency to formulate simple, consistent, stable images.
- Don't assume all aspects of culture are equally significant
 - Things likely have different significance in different situations
- Norms for interactions involving outsiders often differ from those for interactions between compatriots.
- Don't overestimate familiarity with counterpart's culture.

Negotiation Tactics

- Location
- Physical Arrangements
- Participants
- Time limits
- Buyer-seller relationship
- Bargaining behaviors
 - Use of extreme behaviors
 - Promises, threats and other behaviors
 - Nonverbal behaviors

Verbal Tactics

- Most profitable outcomes:
 - More questions asked
 - fewer prior commitments
 - More extreme initial offers
- Other Verbal Negotiating Behaviors:
 - Promises, Threats, Recommendations, Warnings, Rewards, Punishments, Normative Appeals, Commitments, Self-Disclosure, Questions, Commands

Habits for Negotiation Success

TABLE 7-8 *How Successful Negotiators Negotiate*

<i>Negotiating Behavior</i>	<i>Skilled Negotiators</i>	<i>Average Negotiators</i>
Use of <i>irritators</i> per hour of face-to-face negotiating time	2.3	10.8
Frequency of <i>counterproposals</i> per hour of face-to-face negotiating time	1.7	3.1
Percent of negotiator's time classified as a <i>defense/attack spiral</i>	1.9%	6.3%
Percent of all negotiator's behavior immediately preceded by a <i>behavioral label</i>		
Disagreeing	0.4%	1.5%
All behavior except disagreeing	6.4%	1.2%
Percent of negotiator's time spent <i>actively listening</i>		
Testing for understanding	9.7%	4.1%
Summarizing	7.5%	4.2%
<i>Questions</i> , as a percent of all negotiating behavior	21.3%	9.6%
<i>Feelings commentary</i> , giving internal information as a percent of all negotiating behavior	12.1%	7.8%
<i>Argument dilution</i> , average number of reasons given by negotiators to back each argument or case they advance	1.8	3.0

Source: From N. Rackham, *The Behavior of Successful Negotiators*, Copyright © 1976, Huthwaite Research Group, Reston, VA. Reprinted by permission. Adapted by Adler, 2002.

Nonverbal Tactics

- Silence
- Conversational Overlaps
- Facial Gazing
- Touching

Non Verbal Tactics

TABLE 7-9 *Nonverbal Negotiating Behaviors Vary Across Cultures*

<i>Behavior (Tactic)</i>	<i>Americans</i>	<i>Brazilians</i>	<i>Japanese</i>
<i>Silent Periods</i> Number of silent periods greater than 10 seconds, per 30 minutes	3.5	0	5.5
<i>Conversational Overlaps</i> Number of overlaps per 10 minutes	10.3	28.6	12.6
<i>Facial Gazing</i> Minutes of gazing per 10 minutes	3.3	5.2	1.3
<i>Touching</i> Not including handshaking, per 30 minutes	0	4.7	0

Source: From John Graham, "The Influence of Culture on the Negotiation Process," in *Journal of International Business Studies*, vol. 16, no. 1 (1985), pp. 81–96. Reprinted by permission of the *Journal of International Business Studies*, Newark, NJ.

Some Typical Characteristics

- North Americans

- Based on logic, facts
- Make few concessions
- Deadlines very important
- Short term oriented

- Russians

- Based on ideals
- No concessions
- Ignore deadlines
- One time contract

- Arabs

- Based in emotions
- Many concessions
- Casual about deadlines
- Long term oriented

- Your Culture?

- ?
- ?
- ?

Conflict Characteristics of Low and High-Context Cultures

Key Questions	Low-Context Conflict	High-Context Conflict
Why	analytic, linear logic; instrumental oriented; dichotomy between conflict and conflict parties	synthetic, spiral logic; expressive oriented; integration of conflict and conflict parties
When	individualistic oriented; low collective normative expectations; violations of individual expectations create conflict potentials	group oriented; high collective normative expectations; violations of collective expectations create conflict potentials

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Becoming a Better Cross-Cultural Negotiator

- Understand your negotiating partner
- Consider situational specifics
- Decide how to handle actual negotiation

Convergence or Divergence?

- Greater knowledge and understanding of culture
- If moderate adaptation proves effective
- Ingrained cultural patterns of behavior
- Perception that own culture negotiates effectively

Implications for Managers

- Cross-cultural negotiations important part of international manager's job
- Improve negotiating outcomes by understanding dynamics of negotiation process and influence of culture
- Moderate adaptation may be most effective