Navigating International Negotiations: A Communications and Social Interaction Style (CSIS) Framework[1]

Nancy R. Buchan
Associate Professor
Sonoco International Business Department
University of South Carolina
nancy.buchan@moore.sc.edu
(803) 777-1781

Wendi L. Adair
Associate Professor
Department of Psychology
University of Waterloo
wladair@waterloo.ca
(519) 888-4567

Xiao-Ping Chen
Professor
Management and Organization
University of Washington
xpchen@u.washington.edu
(206) 543-2265

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Abstract

Communication is essential to negotiation. However, communication is made exponentially more complex when negotiating across cultures. This is because much of what we call culture is unstated and implicit. In this chapter we provide a Communication and Social Interaction Style (CSIS) framework to examine how individuals from different cultures attend to contextual cues in their environment and use such cues to reason and relate to others during negotiations. The CSIS framework not only explains why misunderstandings occur in intercultural negotiations, but also suggests means to bridge communication gaps in order to achieve win-win solutions between negotiators from different cultures.

Author's Biographies

Nancy R. Buchan

Nancy Buchan (Ph.D. Wharton School) is Associate Professor of International Business at the University of South Carolina. Her research focuses on the factors such as social identity and globalization that influence the development of trust and cooperation in cross-cultural relationships. She also studies cross-cultural communication and social interaction styles in negotiation.

Wendi L. Adair

Wendi L. Adair (Ph.D. Northwestern University) is Associate Professor of Organizational Psychology at the University of Waterloo (Ontario, Canada). Her research on cross-cultural negotiation has examined how communication norms, negotiator schemas, strategy sequences, and nonverbal behavior impact negotiation outcome. She also studies conflict, communication, and emergent culture in multicultural teams.

Xiao-Ping Chen

Xiao-Ping Chen (Ph.D University of Illinois) is Professor of Management in the Foster School of Business at University of Washington. She is also Editor-in-Chief for Organizational Behavior and Human Decision Processes. Her research interests include cross-cultural studies of cooperation and competition, social interaction and communication style, leadership, organizational citizenship behavior, and Chinese guanxi.

Navigating International Negotiations: A Communications and Social Interaction Style (CSIS) Framework

Entering into cross-cultural negotiations is a bit like heading out as the captain of the Titanic. When surveying the negotiation terrain, you will easily spot the most evident parts of culture – food, music, history, art, literature, language – these are the tips of the icebergs floating in the foreign sea. After studying these aspects carefully, it is possible to learn to navigate these parts of the cultural terrain. For example, discussions with your Chilean negotiation partner of Chilean literature, music and painting could help set the foundation for a relationship with them; it will demonstrate to them that you have an interest in their country and culture and that you are willing to take the time to get to know something about them prior to any discussion of business. Such extra measures could go far in helping to establish empathy and trust, particularly in a relationship-oriented culture, and could lead to a mutually beneficial negotiated agreement (Lewis, 2006).

However, when surveying the negotiation terrain, there are parts of culture that are not evident – these are the much larger pieces of the iceberg that are underwater and obscured; such hidden parts can doom a negotiation (and large seagoing vessels). This is because much of culture that is not evident is also unstated and implicit (Hall, 1976); individuals within a culture develop internalized "behavioral patterns", (Harris, 1968, p. 16), "unstated assumptions", "standard operating procedures" (Triandis, 1994, p. 6) and communication and social interaction styles unique to that culture (Adair, Buchan, & Chen, 2009). Thus, not only do you not see these parts of culture, you may not understand them. To stretch the analogy even further, you have a situation where you cannot clearly view the iceberg underwater, but you may have run into it and not realize the potential damage it is causing. Take for example, the case of "Bilingual Labels:"[1]

Canada's largest importer of mobile phones and accessories, Nor-Phone Ltd. of Toronto, decided to start sourcing accessories in China. From an industry contact in Chicago, Vice President Pete Martin learned about Ever Sharp, a large manufacturer in Shenzen specialized in supplying the U.S. market.

After months of email correspondence, Pete flew to Guangzhou to finalize the purchase agreement for 10,000 accessory sets. Discussions with the Ever Sharp people proceeded amiably. Pete and the Chinese team needed a week of meetings to agree on specs, packing, delivery, price, payment terms and the other details of a large transaction.

Exhausted from these lengthy negotiations, Pete was really looking forward to the signing ceremony. At this point however, Pete learned that Ever Sharp had not yet exported to Europe or Canada,

[1] Case provided by Richard Gesteland, Global Management, LLC

and thus might not be familiar with Canada's bilingual requirements. So he explained that all goods sold in Canada must have all product labels printed in both French and English.

This news caused the Chinese concern. They lacked French-language expertise and could only work with Chinese and English, but did not want to admit this to the buyer. So Managing Director Wang replied with a smile, "Mr. Martin, I am afraid that supplying labels in French and English will be a bit difficult. This question will require further study."

Pete Martin politely repeated that bilingual French/English labels were required by Canadian import regulations. "Please understand that we really have no choice on this – it's the law."

Mr. Wang replied with a smile: "Mr. Martin, we will give your request serious consideration. It will be quite difficult. We will do our best to solve the problem." Relieved to have settled this final detail, Pete signed the contract and said his formal goodbyes to Mr. Wang and his team.

Three months later Pete got a call from the quality-control chief at Nor-Phone's warehouse. "Mr. Martin, we have a problem. You know those 10,000 sets that just came in from China? Well, they've got bilingual labels all right – but they are in English and Chinese!"

Although the names of the persons and companies involved in this case have been changed to protect the innocent (but culturally ignorant), the events in this case were real, as was the consequence and cost of having to remove and replace the labels of 10,000 sets as well as the damage to the reputations of the people involved. Pete was unaware of the unstated and implicit cultural communication and social interaction norms in China, and as result, paid a heavy price for what he thought was a successful negotiation.

The goal of this chapter is to provide a framework for understanding the unstated and implicit portion of culture as it applies to negotiation, and to assist cross-cultural negotiators in identifying potential areas of opportunity and those of peril when they are navigating cross-cultural business negotiations.

Culture, Communication, and Negotiation

"Without communication there is no negotiation" (Fisher, Ury & Patton, 1991, p. 30).
"Communication is culture and culture is communication," (Hall, 1959, p. 169).

Communication is essential to negotiation. Without the ability to communicate with one another, parties could not exchange information. Without information exchange, negotiators could not inform one another of their interests. Without knowledge of one another's interests, it would be nearly impossible to negotiate mutually satisfying agreements. Thus, negotiation begins, continues and ends with

communication. When negotiators are from different cultures communication becomes exponentially more complex.

The complexity arises from the fact that culture is a system that links individuals to the ecological context in which they live (Keesing, 1974; Gudykunst & Ting-Toomey 1988). Context is acutely important in communication because individuals vary according to the degree to which they attend to context in communication and use contextual cues in their environment to reason and relate to others in social interaction (Hall, 1959; 1976). Anthropologist Edward Hall suggested there are two types of cultures; high and low context. Individuals from high context cultures pay great attention to and make extensive use of contextual cues in communication and social interaction. Individuals from low context cultures on the other hand, pay little attention to and make slight-to-no use of such cues in communication and social interaction. Hall generalized that most of the countries of Western Europe, Scandinavia, and the United States were relatively lower context cultures, while France, Russia, most Asian, Middle Eastern, Mediterranean, and Latin American countries were relatively higher context cultures (Hall & Hall, 2002).

Hall's conceptualization of communication as culture can be distilled into four key (correlated) components (Adair, Buchan,& Chen, 2009): communication style, relationship context, time context and space context. We propose that these four components comprise Communication and Social Interaction Style (CSIS), which we define as the standard operating procedures for communication and social interaction characterized by a culture's reliance on direct or indirect messages and attention to information in the relationship, temporal, and spatial contexts of the interaction. These four components are summarized in the following table:

	Reserved	Direct	Expressive
Communication Style	Indirect Holistic Listener oriented	Direct Linear Speaker oriented	Moderately direct Holistic Listener oriented
Relationship Context	High relationship context Moderate work/non -work relation overlap Self and other face maintenance	Low relationship context Work/non -work relations distinct Self face maintenance	High relationship context High work/non -work relation overlap Self and other face maintenance
Time Context	Fixed time & Fluid time, depending on social and relationship norm	Highly fixed time Fixed schedules and deadlines Serial process	Fluid time Flexible schedules and Deadlines Multitask
Space Context	Distant, empty communication space Reserved Subtle body language	Distant, filled communication space Moderately expressive Moderate body language	Close, filled communication space Emotional Highly Expressive body language

Although Hall generalized that there are two main types of cultures – high and low context – we suggest that within these two cultures, the four components of communication style, relationship, time and space context provide for a multiplicity of communication and interaction styles. This notion is supported by the work of cross-cultural communications consultant Richard Lewis. For example, Lewis' work (2006) describes East and Southeast Asian cultures with words such as formal, reserved, silent, and respectful. Conversely, his descriptions of Latin, Mediterranean, African and Arab cultures include words such as emotional, expressive, and talkative. In Hall's dichotomy, all of the cultures just mentioned are classified as high context cultures. Yet, it is important to note that these differences are not just a matter of degree, i.e., paying more or less attention to contextual cues. The differences are in how the cues are used and the meaning they convey in high context communication. For example, in Japan, silence is not an empty space to be filled but a communicative act (Gudykunst et al., 1996) Maintaining silent space can be a means of promoting harmonious social relations, or it can be a sign of crucial impasse in negotiations (Hodgson, Sano and Graham, 2008). In contrast, in Mexico, silence is an empty space to be filled. Mexican workers maintain camaraderie by avoiding silence and constantly interrupting one another (Hall 1960), and Mexican negotiators rarely exhibit periods of silence during their negotiation sessions (Requejo & Graham 2008). Thus, the category of "high context" is too broad to

capture the distinctions in the use of spatial cues and modes of expression between high context Japanese and Mexican cultures.

Therefore, within the CSIS framework, the emphasis is on the four components of communication style, relationship, time and space context. An individual may vary in terms of how the contextual cues are used for each component and the meaning they convey in the communication.[i] For example, among high context communicators there are likely to be two approaches to the components: for some individuals, both the contextual cues and meaning are very subtle and will be communicated in a *reserved* manner, for others, the cues and meaning will be more bold and will be conveyed via an *expressive* approach. Among the low context communicators, the cues will not be noticed or will not seem very relevant in communication, and all meaning will be conveyed in a *direct* fashion.

Component One: Communication style

Japanese negotiators can say "no" in 16 different ways in a negotiation without directly saying "no"; for example, they will be silent, they will counter with a question, or they will leave the meeting without a response (Ueda, 1974). This is because Japanese negotiators might typically be considered reserved communicators.

Reserved. People with a reserved communication style are indirect and implicit in interaction. Their meaning is often very subtle, hidden in cues in the contextual environment. Non-verbal language (although sometimes hard for the non-reserved communicator to detect) is important and meaningful. The reserved communication style is listener oriented; the listener is a full partner in the communication and is expected to decode the message and understand its meaning. People with a reserved communication style tend to think and speak holistically, understanding a given point within the entire context in which it is presented.

Expressive. People with an expressive communication style are often direct and explicit owing to the open use of emotion and intense and rapid verbal expression in communication. Yet expressive communicators are holistic communicators as well in that they are attuned to the meaning conveyed in interaction not only through words but also through contextual cues in the interaction environment.

Direct. For people with a direct communication style, information is contained primarily in the verbal, coded, explicit part of a message. Their communication style is speaker oriented; there is no expectation that the listener will decode an implicit meaning because the message is clearly stated.

Just what is meant by a holisitic communication style? Hall notes that it is not the words that are used that matter, but rather *how* the message is conveyed, and that the receiver of the message is expected to work to interpret the meaning of the message sent.

> People raised in high-context systems expect more of others than do the participants in low context systems. When talking about something they have on their minds, a high-context individual will expect his (or her) interlocutor to know what's bothering him (or her), so that he (or she) doesn't have to be specific. The result is that he (or she) 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 (or her) interlocutor (1976, pg.88).

Why do high context individuals take the trouble to walk around the point? This tendency toward indirectness and implictness is influenced by collectivism and individualism (Gibson, 1988). Collectivists have a need to maintain group harmony, to avoid bringing shame to the group, and to save face at all costs (Triandis, 1989), and therefore will use indirect, implicit messages whereas individualists are not as concerned about group harmony and therefore will use more explicit, direct communication.

Now we can start to unravel the Bilinguals Labels debacle. Mr. Wang was Chinese and thus was possibly a reserved communicator with respect to Pete Martin, from Canada, who was possibly a more direct one. When Mr. Wang told Pete that delivering the labels would be difficult, he was telling him "no," but not directly. It was Pete's job to figure out what was being said. Mr. Wang even said it would be "very difficult" a second time for emphasis. But Pete, a direct communicator who paid attention to the literal meaning of the words (ie "it will be difficult" = "difficult but possible") still did not understand.

Why didn't Mr. Wang tell Pete directly? To say "no" to Pete would have brought shame to Mr. Wang and his company by forcing Mr. Wang to admit his inability to manufacture the labels; such admission would cause Mr. Wang to lose face. In forcing the issue, and causing Mr. Wang to lose face, Pete would also lose face, and the negotiation and relationship between the two men would have suffered a major setback.

What should have Pete done in this case? If Pete had understood Mr. Wang's implicit "no", an implicit option for resolving the problem would have been to bring samples of the labels in French and English with him to China, indicating to Mr. Wang that this is what the finished labels might look like. Pete would do this *without* suggesting that Mr. Wang might not know how to manufacture the labels. This would be a way to work with Mr. Wang and preserve what otherwise is seemingly a good relationship.

Component Two: Relationships

The United States is the home of the cold call. Only in the US and in a handful of other countries considered to be cultures where the populations exhibit a prominently direct communication and interaction styles, is it possible to pick up the phone, call someone you have never seen, met, or have any connection to, and within 20 minutes, negotiate a deal with them. This is because one of the unstated and

implicit channels through which information is conveyed in most other cultures – in cultures in which people have reserved or expressive communication and interaction styles - is the relationship between the negotiators.

Reserved. People who relate in a reserved manner are often very cautious in interactions with strangers, and rely on cues about stranger's backgrounds, their status (which may be indicated by age, title, wealth, education, gender) and particularly their network of colleagues. Time is needed to establish a relationship however once a relationship is established, the bond is extremely strong and long lasting. There is a heightened concern for face-saving (both self- and other-face maintenance) in the name of harmony within the relationship and the maintenance of social norms. For reserved negotiators, a moderate overlap between work and non-work relations typically occurs because 1) relationship building and business are often carried out after hours at dinner or over drinks at a restaurant or bar, etc. and 2) a heightened awareness of relationships and networks means reserved negotiators are likely to choose business partners with some sort of personal connection.

Direct. People who relate directly are low context, and as such do not infer or confer meaning from relational cues such as one's status, background, network, or the longevity or a relationship. Face maintenance by someone who relates directly concerns primarily the self, and would typically be for self-preservation purposes. It is their low attention to relationships and context that allows direct communicators to compartmentalize work and non-work relations. Rather than structuring one's life as one large network of contacts, relations at work remain in that restricted context, which is typically separate from relations outside of work.

Expressive. People who relate expressively are also cautious in interactions with strangers, and rely on cues about stranger's backgrounds, their status and their network of colleagues. As with reserved negotiators, expressive negotiators take time to establish relationships that are characterized by high trust and long-term commitment. Because of their concern for relationships, expressive negotiators will be cautious to save face for both the self and the counterpart. People who relate expressively see a strong overlap between work and non-work relations as quite natural. They rely heavily on personal contacts when developing business opportunities, and professional networks include people in their social and family networks. Work related activities may occur in after hours at restaurants, etc. or in the home.

McMillan and Woodruff describe how the Vietnamese, who are generally reserved with respect to relationships, rely on cues about strangers' backgrounds and networks in relationship building and negotiation, particularly given that a transparent legal system cannot be relied upon, "Firms often scrutinize prospective trading partners before beginning to transact, checking the firms' reliability via other firms in the same line of business or familial connections" (1999, pg 638).

Furthermore, the importance of the relationship context is demonstrated in this recounting of negotiations in the Jamaican coffee industry (Kollock, 1993):

> When Hurricane Gilbert devastated the Blue Mountain coffee growing region in Jamaica in 1988, Japanese importers quickly offered to help rebuild the area. The grateful coffee growers allowed the Japanese importers to buy up the vast majority of their coveted crop, despite higher offers from American and European importers. As one Jamaican coffee manager put it: 'We have Americans and Europeans who call up all the time and say, look, we'll pay you $11 a pound' (the price at the time was $7.50). Well, that's fine for one shot, but what do you do four years hence, when the next hurricane hits? That's when you remember the Japanese, and the lesson for us has been taking care of clients like that first.

In this case, we see the importance of relationship over monetary utility, on knowing the partner's background and long term network over the immediate payoff for the generally expressively-oriented Jamaican negotiator.

Component Three: Time

Think of the adages people in the United States use that contain the word time; "Spend time," "Use time", "Waste time," "Save time," "Invest time," "Just in time." What do these adages say about how Americans view time? At least in part, time is regarded as a commodity, as something precious to be used as efficiently as possible. Compare this perspective with the following adages from cultures that are relatively higher context: "Time settles everything" from Italy, and "Hurry hurry has no blessing" from Western Africa.

Time is part of a socio-cultural system – it is socially constructed and reflects cultural variation in pace of life, time horizons, temporal focus, and simultaneous versus sequential task involvement (Bluedorn, 2002; Brislin & Kim, 2003; MacDuff, 2006). "Time talks. It speaks more plainly than words. The message it conveys comes through loud and clear." (Hall, 1959, p. 1). Thus, the way people attend to time and move through time is yet another of the unstated and implicit languages by which negotiators communicate and interact with one another. Hall suggested there are two orientations toward time: polychronicity and monochronicity (Hall 1959).

Reserved. People who view time in a reserved manner, Chinese or Japanese negotiators for example, are typically more monochronic particularly in professional situations, and perceive it important to begin negotiations on time for the sake of the business relationship. Yet, reserved individuals, also tend to be very relationship oriented, thus are likely to become more polychronic once negotiations commence. They are attuned to cues in the interaction environment that may signal the need to be flexible with

respect to deadlines and schedules. This is particularly true in the case of ensuring that maintenance of harmony and social norms in a relationship takes precedence over meeting a deadline. Direct negotiators need to be aware (and understand that their patience may be tested in situations when) the maintenance of social norms may mean a request for extra time to run a proposal past senior people who are not present at the negotiation (Hodgson, Sano & Graham, 2008).

Direct. People who view time directly are monochronic both professionally and socially; they perceive time as a fixed commodity to be used efficiently, spent, invested, measured, or lost. They adhere strictly to fixed schedules and deadlines and process information in a serial fashion. For the monochronic person, being made to wait 30 minutes beyond the scheduled meeting time with their negotiation partner seems rude. Furthermore, the monochronic person may feel disrespected when their polychronic partner allows constant interruptions for phone calls, messages, or continual sidebars (Gesteland, 1999).

Expressive. People who view time expressively are polychronic; they have fluid and flexible attitudes towards time (note the Indonesian phrase 'jam karet' – rubber time), and view punctuality and deadlines as artificial constraints relative to the reality of human relationships. They also tend to engage in simultaneous information processing, so multitasking during a negotiation, or breaking into frequent sidebars during negotiation in their foreign tongue is common. For the polychronic individual, catching up with a friend you've run into on the way to the office is much more important than arriving "on time" for a meeting, the deadline is a man-made construction in a datebook, whereas the relationship is real (Gestland 1999).

Greg Mortenson, head of the Central Asia Institute and advisor to the US military in the region, has built over 130 schools for girls in Afghanistan and Pakistan. In large part, he attributes his success in building these schools to his success in negotiating with the chieftains of numerous tribes including the Taliban, who have a stake in promoting (and preventing) women's education. He recounts the building of his first school and his restlessness and frustration with countless delays and interminable meetings and banquets with various tribal stakeholders, suppliers, and contractors. During one of Mortenson's most frustrating moments, his mentor and the chief of the village where the first school was to be built, Haji Ali, sat Mortenson down and gave him a lesson:

> 'If you want to thrive in Baltistan, you must respect our ways,' Haji Ali said, blowing on his bowl. 'The first time you share tea with a Balti, you are a stranger. The second time you take tea you are an honored guest. The third time you share a cup of tea you become family, and for our family, we are prepared to do anything, even die,' he said,… 'Doctor Greg, you must make time to share three cups of tea. We may be uneducated. But we are not stupid. We have lived and survived here a long time…' 'That day, Haji Ali taught me the most important lesson I've ever learned in my life,' Mortenson says. 'We

> Americans think you have to accomplish everything quickly. We're the country of thirty-minute power lunches and two-minute football drills. … Haji Ali taught me to share three cups of tea, to slow down and make building relationships as important as building projects' (p.150, 2006).

This case actually shows the value of two of the unstated components relating to interaction style – the relationship and time components. Both are equally important. In cultures with expressive and reserved interaction styles, it is crucial that negotiators take time to build relationships and trust with their negotiation partner. Building that trust means spending time with the partner – sometimes in their home drinking tea, sometimes in a smoky bar in Ginza singing off-key karaoke, sometimes talking about partner's family late into the night in Athens. In polychronic, relationship-oriented cultures, the relationship precedes the deal, not the other way around, and relationship building takes time. In fact, in these high context cultures, the amount of time you are willing to invest in the relationship often communicates much more than any words could say. Once this time is invested, the likelihood of creating and gaining value in your negotiation is exponentially increased.

Right now Baltistan may seem too far away to imagine in terms of international business negotiation since the main negotiations occurring there involve military personnel, the UN and NGOs. However, the story of Mortenson and Haji Ali is not that different from the anecdote commonly told to MBA students in "Negotiating in Japan" classes:

Question: "What do you tell your Japanese negotiation counterpart when he asks you 'when is your return ticket?'"

Answer: "I don't have one. I'm here as long as it takes us to get this partnership working."

Rationale #1: Negotiators from many other cultures, particularly polychronic ones, are highly practiced at the use of time as a negotiation tactic. If you tell your counterpart you have a ticket booked in a week, even two or three, they will certainly outlast and outmaneuver you in the negotiation.

Rationale #2: More importantly, in a polychronic culture, one week means nothing in terms of a relationship. In essence, you are signaling to them that all you want is THE DEAL. You might as well have not made the trip at all. If you are serious about working in that culture, you need to invest the time and work on the relationship first. Once that is in place, negotiating the deal will go much more smoothly.

Component Four: Space

Space is the last component in the unstated and implicit realm of communication. The most obvious dimension of space is the level of the physical boundary. Ambassador Richard Holbrooke, who helped broker the Dayton Accord following the 1992-1995 war in Bosnia, described the value of being able to control the space in which the negotiation occurred:

> So we decided to give a dinner for all the participants, and we chose the great museum, the air museum at Wright-Patterson, the largest and best military aviation museum in the world…. And they have these huge hangars….They picked the biggest hangar and we put the tables out in front of it. And all the presidents came, and we seated them under the wing of a B-52. Some of the Europeans thought this was a little militaristic…. I said, well, why not? Let them be reminded of this.
>
> So we sat them under this. And Milosevic started looking around as we went in. It was very emotional. And one of my colleagues took Milosevic over to the wall and said, that's a Tomahawk missile. A Tomahawk missile is about 18 feet long. And Milosevic just looked at it. He stopped. He said, you did all that damage with that little thing? And my colleague said, yeah.
>
> So I don't want to leave you with the impression – I don't know whether any of this made any difference. I'm just giving you the atmospherics. But I think it did. We brought generals out there. We made absolutely clear that the bombing could resume if we didn't get an agreement. And they agreed to stay until we got an agreement (PON Harvard Law School, 2004).

Perhaps less dramatic, but a means of communicating power just the same, are the seating arrangements for a Japanese negotiation. The most important Japanese executive will be seated a) in the largest chair b) that is farthest from the door, c) in the location that is the center of the focus of the room (Hodgson, Sano & Graham, 2008).

Less obvious is when space communication works at the level of the other senses. "Few people realize that space is perceived by all the senses, not by vision alone. Auditory space is perceived by the ears, thermal space by the skin, kinesthetic space by the muscles, and olfactory space by the nose" (Hall & Hall, 2002, p.11). Thus, factors such as the use of silence, interruption, emotion, and body language also come into play. How people define and interpret these different forms of space in communication and social interaction provides another piece of contextual information that differentiates low and high context cultures.

Reserved. While reserved communicators may consider their counterpart a close and valuable partner, they will still show physical restraint and distance in social interaction due to social norms for restraint and formality. For reserved communicators auditory space remains empty. Silence is not an empty space to be filled but rather the emptiness itself signifies a communicative act. Silence may indicate disapproval or impasse, but can also signal truthfulness, seriousness or support for the counterpart; thus maintaining silence can be a means of promoting harmonious relations. Also due to social norms for restraint and formality, reserved communicators are very subtle in their expression and body language.

Direct. People who relate to space directly tend to be low context. As if they do not want to immerse themselves in their surrounding context, they are protective of their own "space bubble" in communication; they stand a good distance from one another. Insensitive to communication cues from

their environment or conversational pauses, they prefer a filled communication space; that is, they perceive that fewer silences and more conversational interruption and turn-taking signals better interaction management. Those who view space directly are moderately expressive with their tone of voice and use moderate body language.

Expressive. People who relate to space expressively prefer to stand close to the person with whom they are interacting, often close enough so that they can frequently touch the person. By sharing space with their interlocutor, expressive communicators bring their partner into their own context. They like a filled communication space with few silences, and feel most comfortable when people are regularly interrupting one another or ending each another's sentences – this demonstrates a sense of camaraderie and closeness among the speakers. Those who relate to space expressively convey their meaning through emotion and expressive body language.

There is great variation across cultures in the aspects of negotiation communication related to the space context. A 15 culture study of the behavior of groups of six negotiators demonstrated that Japanese negotiators were comfortable with silence, and furthermore rarely interrupted their counterparts. This contrasted with Spaniards on the other hand who had no silent periods in their negotiations and Brazilians who had 28 interruptions in the 30 minute encounter (Requejo & Graham, 2008). According to Hodgson, Sano and Graham, for American negotiators, particularly, who are unaccustomed to silence, this opposition in styles can lead to a perilous situation vis-a-vis Japanese negotiators (2008). The Japanese are masterful at the use of silence and will employ long periods of silence particularly on the occasion of an impasse. American negotiators, uncomfortable with silence, will often fall into the trap of filling the void with talking, thus possibly a) making unreciprocated concessions and b) almost certainly lessening the chances of learning more about the Japanese counterpart's interests.

Emotion and body language are also important elements of the language of space. The tone of conversation or the volume of speech is one cue, as are facial expressions, and body language (Cohen, 1991; Hall, 1966). As would be expected, individuals in high context cultures (those individuals who relate to space in a reserved or expressive manner) are more likely to be attuned to auditory and physical cues. Thus, as with time, both attention to space and space itself communicate information. In the study of negotiators from 15 cultures, one of the starkest differences demonstrated was that Brazilian negotiators spent 74.6 minutes looking at one another versus the six Japanese negotiators who looked at one another for a total of only 3.9 minutes. Brazilians touched each other 5.7 times in the course of the 30 minutes, Japanese did not touch each other at all (Requejo & Graham, 2008).

For Greg Mortenson and his right hand man, Sarfraz Khan from Pakistan, understanding spatial cues in communication was crucial at all times to the success of their negotiations to build school for girls, and in certain situations was a matter of life and death.

> In any given situation, regardless of whether it involved an all-night negotiation with a group of conservative mullahs or a five-minute break at a roadside tea stall, Sarfraz paid keen attention to the body language of everyone involved. Who sat where and why? Who sipped his tea first and who hung back? Who spoke and who remained silent? Who was the most powerful person in the room, who was the weakest, and how did their respective agendas influence what they were saying? There can be many layers and shades of meaning within each of these distinctions, and by responding to all of them with equally subtle adjustments of his own, Sarfraz strove to avoid drawing unwanted attention either to himself or to me (2009, p.107).

Communication and Culture: Closing the Deal

One of the toughest sticking points in closing a cross-cultural deal is drawing up the contract. This is because the view of the contract differs so radically from culture to culture. For lawyers who communicate directly and have a direct perspective on relationships and time, the preferred contract is likely to obsessively document the rights and responsibilities of the parties and spend little time on why the deal is being done or the philosophy of the relationship that got the parties to the point they are. The result is an extremely long, dense, detailed contract, "documented in a forensic way that says this is black, and by the way, black is not white, yellow, orange or red, and no shade of gray is acceptable.' In the end you have 250 documents with every single clause the lawyers could have imagined," (Glass, 2007, pg. 16).

On the other hand, for business people who communicate indirectly and have a reserved or expressive perspective on relationships and time, the approach to contracts is much more philosophical and focused on the relationship and trust. Asian agreements, for example, are much shorter and purpose-oriented; contracts are viewed as documents that live and breathe and move forward with the relationship. Rupert Pearce, general counsel of a mobile communications company says, "If you go straight to your legal rights as soon as you can, you cause a breakdown in a relationship that may otherwise prove to be valuable, because the thing that does not compute in Asian minds is having their noses rubbed in a paragraph in a circumstance where things have clearly moved on," (Glass, 2007, pg.17).

Obviously both sides to the negotiation seek contractual stability and assurance that the terms of their agreement will be respected in the future. Yet, it is clear that no one can foresee every possible change in circumstance. The traditional approach to resolving this dilemma is to provide for every contingency in a written contract. However, for reserved and expressive negotiators, this written contract captures the relationship between the parties imperfectly and incompletely. For them, the relationship is the foundation of the deal; if the context of the deal changes, the two parties will work together and adjust accordingly. This is simply part of the ebb and flow of the relationship.

It is because of these differing cultural views of contracts that renegotiation clauses have become much more widely used in many parts of the non-Western world. A renegotiation clause provides that at

specified times, or as a result of specified events during the term of the contract, the parties may renegotiate or review certain provisions (Salacuse, 2001). Some executives setting up long term international projects acknowledge that despite lawyers' intentions, it is extremely difficult to predict real working conditions and relations many years hence, and at best, what can be provided is an informal framework for renegotiation. "Once the contract is signed, we put it in the drawer. After that, what matters most is the relationship between us and our partner, and we are negotiating that relationship all the time," (Kolo & Walde, 2000, p.45). In other instances, parties will set up formal renegotiation clauses. For example, an oil exploration contract between a foreign oil company and the Government of Qatar provided that the two sides would negotiate future arrangements for the use of natural gas not associated with oil discoveries if commercial quantites of "non-associated" gas were found in the contract area (Salacuse, 2001).

Conclusion

Effective communication and information exchange is essential to negotiation. But when the negotiators are from different cultures, communication becomes exponentially more complex. This was demonstrated in research between Japanese and American negotiators in the experimental negotiation Cartoon. In this negotiation Japanese negotiators primarily used indirect methods of information exchange; American negotiators primarily used direct methods of information exchange. When Japanese and American managers were negotiating intraculturally, the joint gains were $4.02mn and $4.19mn respectively. However, when Japanese and American managers negotiated *interculturally*, the joint gains fell to $3.22mn, a significant decrease (Brett & Okumura, 1998).

Interestingly, in the intercultural negotiations, Japanese negotiators adapted to the negotiation style of the Americans; Japanese negotiators increased direct information sharing and decreased indirect information sharing relative to the base rate in intracultural negotiations (Adair, Okamura & Brett, 2001). In making the adaptation, Japanese intercultural negotiators understood the interests and priorities of their American counterparts, but the US negotiators did not understand those of the Japanese – contributing to the lower joint gains.

It is not surprising that it was the Japanese negotiators who adapted to the American negotiators and not the other way around. The Japanese are likely to be more reserved, or high context, communicators. Thus, they are always attuned to cues in their communication environment and reading meaning from them. They may have sensed the need to modify their method of information exchange. Americans on the other hand, tend to be direct communicators and do not normally attend to contextual cues. This does not mean that US negotiators are insensitive or don't want to build relationships. One survey of experienced US and Japanese negotiators showed that both US and Japanese negotiators report that they adjust to their counterpart's style (Adair, Taylor, & Tinsley, 2009). However, the behavioral

evidence shows it is only the high context, relationally attuned Japanese that successfully adjust their communication and strategies.

The lesson here is that *both* negotiators need to learn as much as they can about their own and their counterpart's communication and social interaction style prior to the negotiation, and to become practiced and comfortable in the other's approach as part of their negotiation planning. Without such preparation, it will be difficult to achieve the highest joint gains possible in cross-cultural negotiations. Without the ability to communicate and to exchange information between partners effectively it is likely that the parties will complete the negotiations leaving value on the table for both sides.

Communication, being part of culture, is complex because it encompasses more than the words spoken. Like the iceberg, there is so much more to it than simply what meets the eye. However, if one can master the unspoken language, the implicit and unstated assumptions that are wrapped up in communication and in the contexts of relationships and time and space, they will have prepared themselves to venture into cross-cultural negotiations.

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[i] Wendi Adair, Nancy Buchan and Xiao-Ping Chen have developed a 97-item psychometrically-validated survey to measure the four components of CSIS at the individual level. The survey, also known as InterCultural Edge, is a research project led and sponsored by the Duke University Center for International Business Education and Research at the Fuqua School of Business (www.fuqua.duke.edu/ciber/programs/we_organize/ice/)