



NOVA SCHOOL OF  
BUSINESS & ECONOMICS

# PERSUASION & NEGOTIATION

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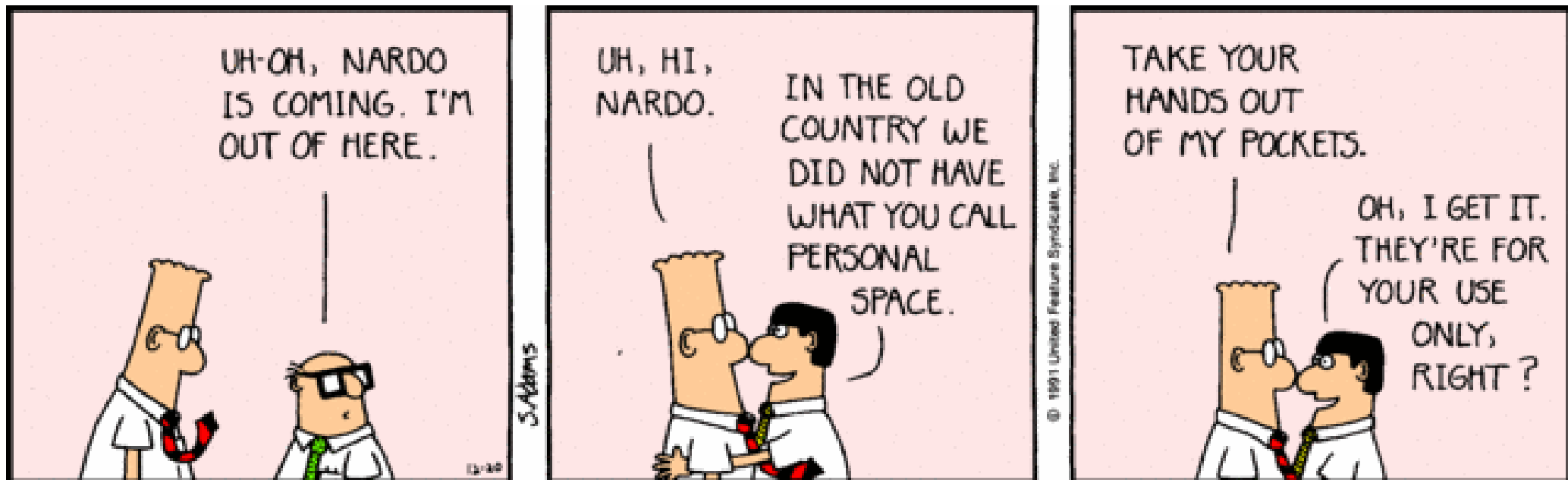
## Cross-cultural negotiations

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# Introduction

## Topics:

1. What makes international negotiations different?
2. Culture and negotiation;
3. How does culture influence negotiation?



# What makes international negotiations different?

## How Do We Explain International Negotiation Outcomes?

- International negotiations can be much more complicated
  - Simple arguments cannot explain conflicting international negotiation outcomes

The **challenge** is to:

- Understand the multiple influences of several factors on the negotiation process
- Update this understanding regularly as circumstances change



# What makes international negotiations different?

- Two overall contexts have an influence on international negotiations:

## **Environmental context**

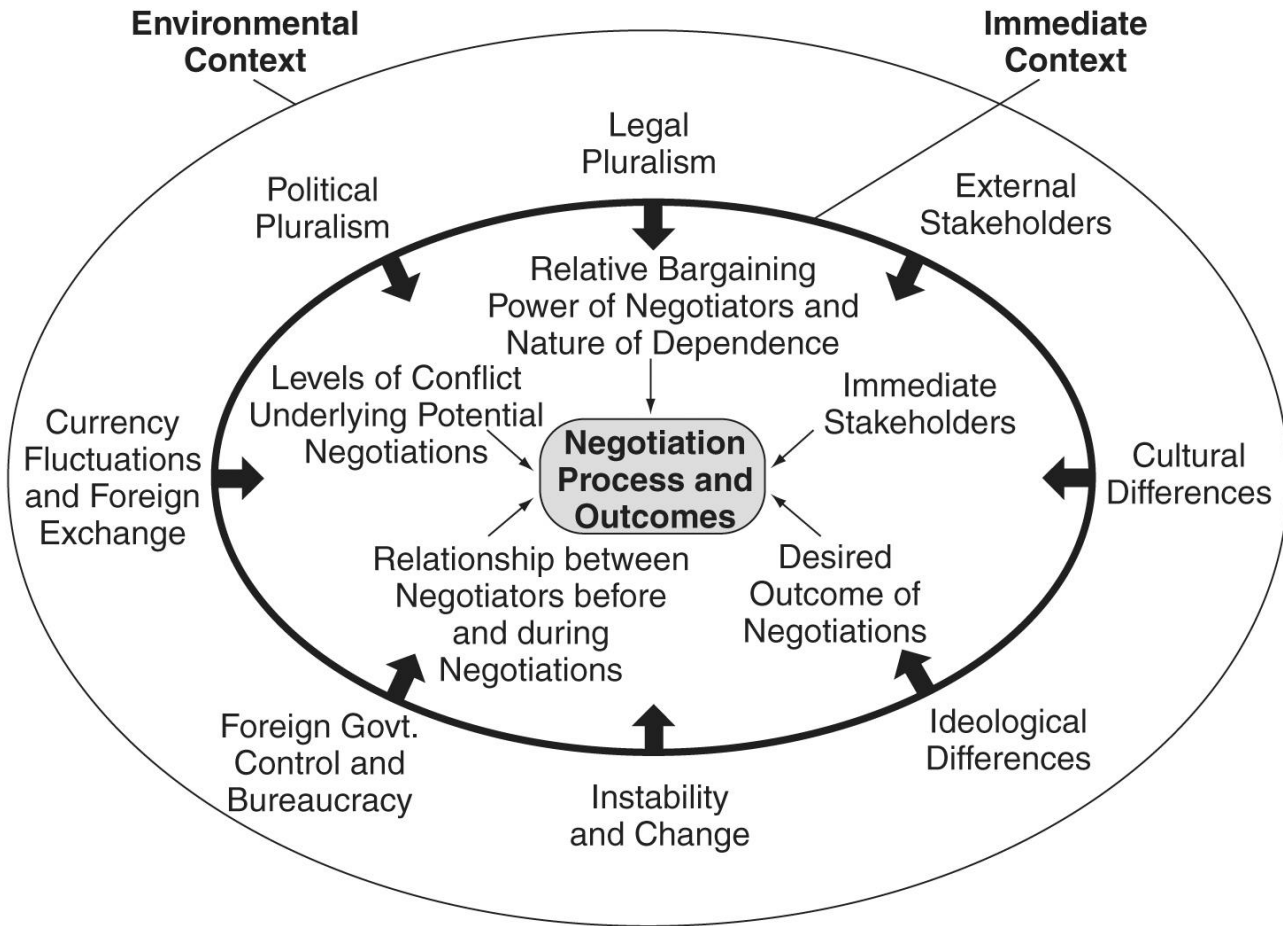
- Includes environmental forces that neither negotiator controls that influence the negotiation

## **Immediate context**

- Includes factors over which negotiators appear to have some control



# What makes international negotiations different?



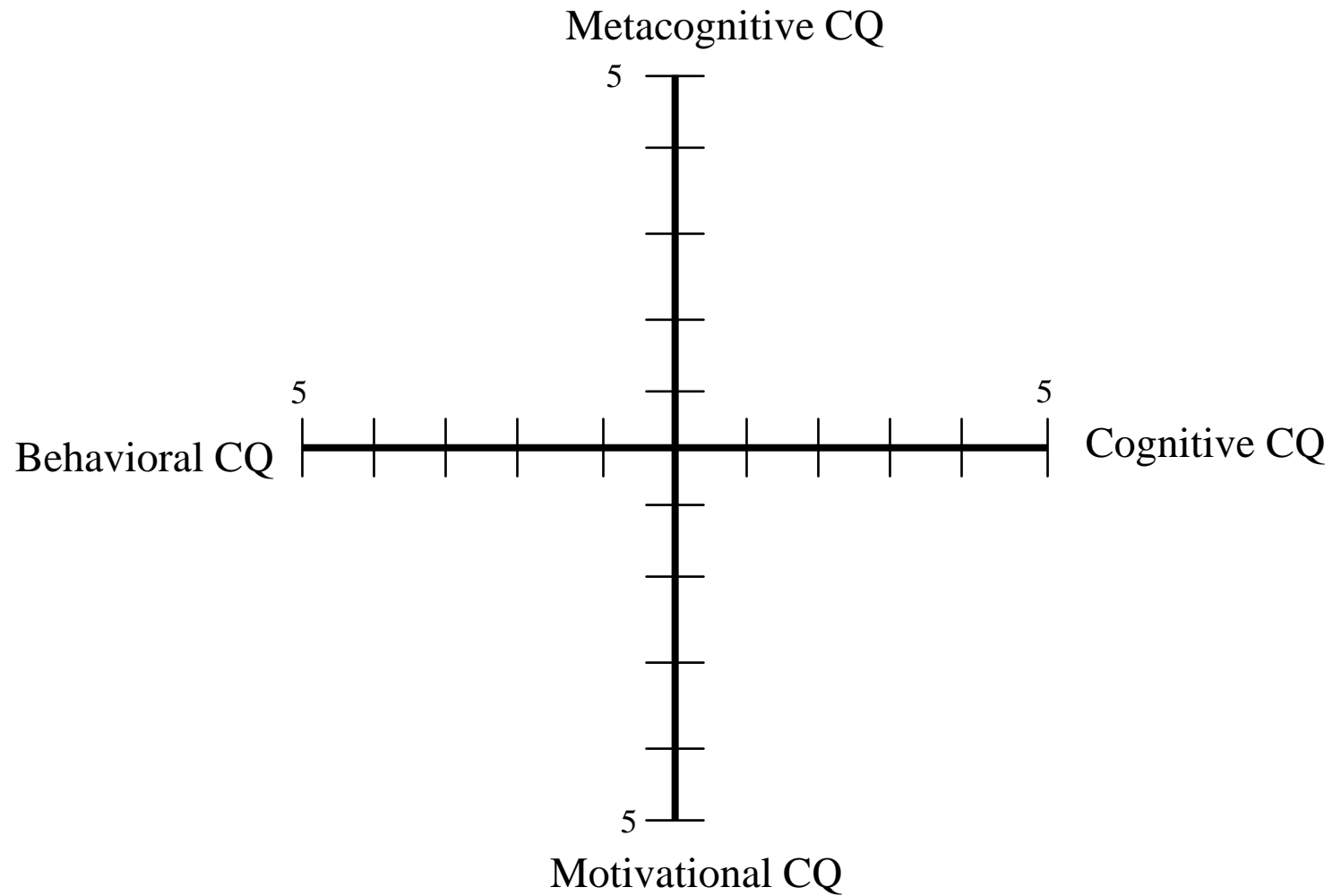
And now, get to know you, again...

# Cultural Intelligence Scale





# Self-Assessment: CQS



## Debriefing

**METACOGNITIVE CQ** reflects mental processes that individuals use to acquire and understand cultural knowledge, including knowledge of and control over individual thought processes relating to culture. Relevant capabilities include planning, monitoring, and revising mental models of cultural norms for countries or groups of people. Those with high metacognitive CQ are **consciously aware of others' cultural preferences** before and during interactions. They also **question cultural assumptions** and **adjust their mental models** during and after interactions.

**COGNITIVE CQ** reflects knowledge of norms, practices, and conventions in different cultures acquired from education and personal experiences. This includes knowledge of economic, legal, and social systems of different cultures and subcultures and knowledge of basic frameworks of cultural values. Those with high cognitive CQ **understand similarities and differences across cultures**.





## Debriefing

**MOTIVATIONAL CQ** reflects the capability to direct attention and energy toward learning about and functioning in situations characterized by cultural differences. According to expectancy theories of motivation, the direction and magnitude of energy channelled toward a particular task involves two elements –expectations of success and value of success. Those with high motivational CQ **direct attention and energy toward cross-cultural situations** based on intrinsic interest and confidence in their cross-cultural effectiveness.

**BEHAVIORAL CQ** reflects the capability to exhibit appropriate verbal and non-verbal actions when interacting with people from different cultures. Mental capabilities for cultural understanding and motivation must be complemented with the ability to exhibit appropriate verbal and non-verbal actions, based on cultural values of specific settings. This includes having a wide and flexible repertoire of behaviors. Those with high behavioral CQ **exhibit situationally-appropriate behaviors based on their broad range of verbal and non-verbal capabilities**, such as exhibiting culturally appropriate words, tone, gestures, and facial expressions.



## 1. Culture as **learned behavior** (Faure, 1999)

- A catalogue of behaviors the foreign negotiator should expect

## 2. Culture as **shared values** (Hofstede, 1980; Schwartz, 1992)

- Understanding central values and norms



# *Hofstede's cultural dimensions model*

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- **Career success/quality of life (masculinity)**
  - Cultures promoting career success are characterized by the acquisition of money and things, and not caring for others.
  - Cultures promoting quality of life are characterized by concern for relationships and nurturing.
- **Uncertainty avoidance**
  - Negotiators from high uncertainty avoidance cultures are less comfortable with ambiguous situations--want more certainty on details, etc.



# *Hofstede's cultural dimensions model*

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- **Individualism/collectivism**

- Individualistic societies may be more likely to swap negotiators, using whatever short-term criteria seem appropriate
- Collectivistic societies focus on relationships and will stay with the same negotiator for years

- **Power distance**

- Cultures with stronger power distance will be more likely to have decision making concentrated at the top of the culture.





# *Hofstede's cultural dimensions model*

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- ***Long term orientation***

- Link between past, present, and future
- Normative (low) cultures prefer traditions and see change with suspicion – there is one truth; pragmatic (high) cultures encourage change in order to prepare for future – truth depends on situation, context, and time



- ***Indulgence***

- Is control of desires and impulses weak (indulgence) or strong (restraint)



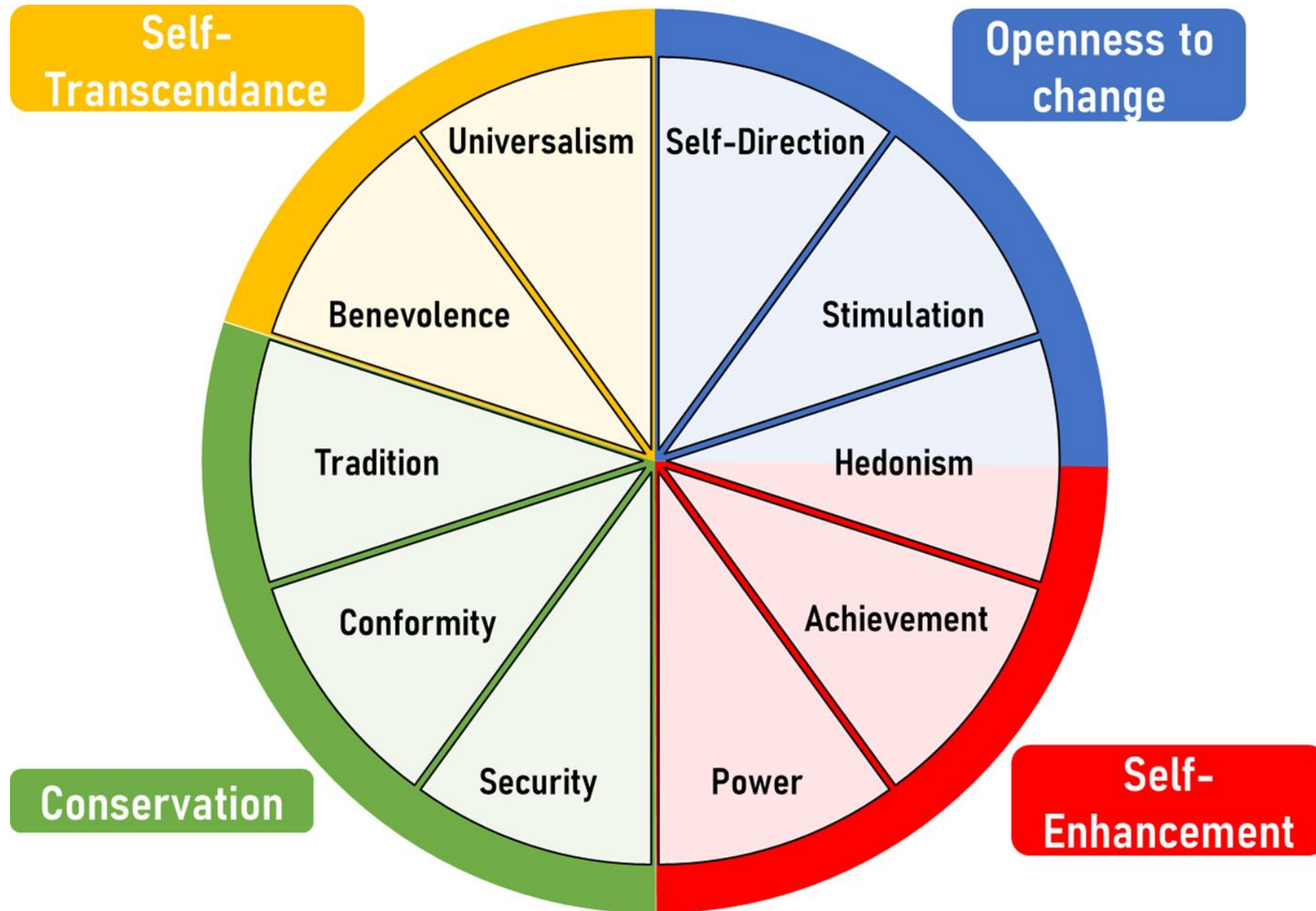
# *Hofstede's cultural dimensions model*



**the hofstede centre<sup>®</sup>**

Strategy ↔ Culture ↔ Change

# *Schwartz's cultural values model*

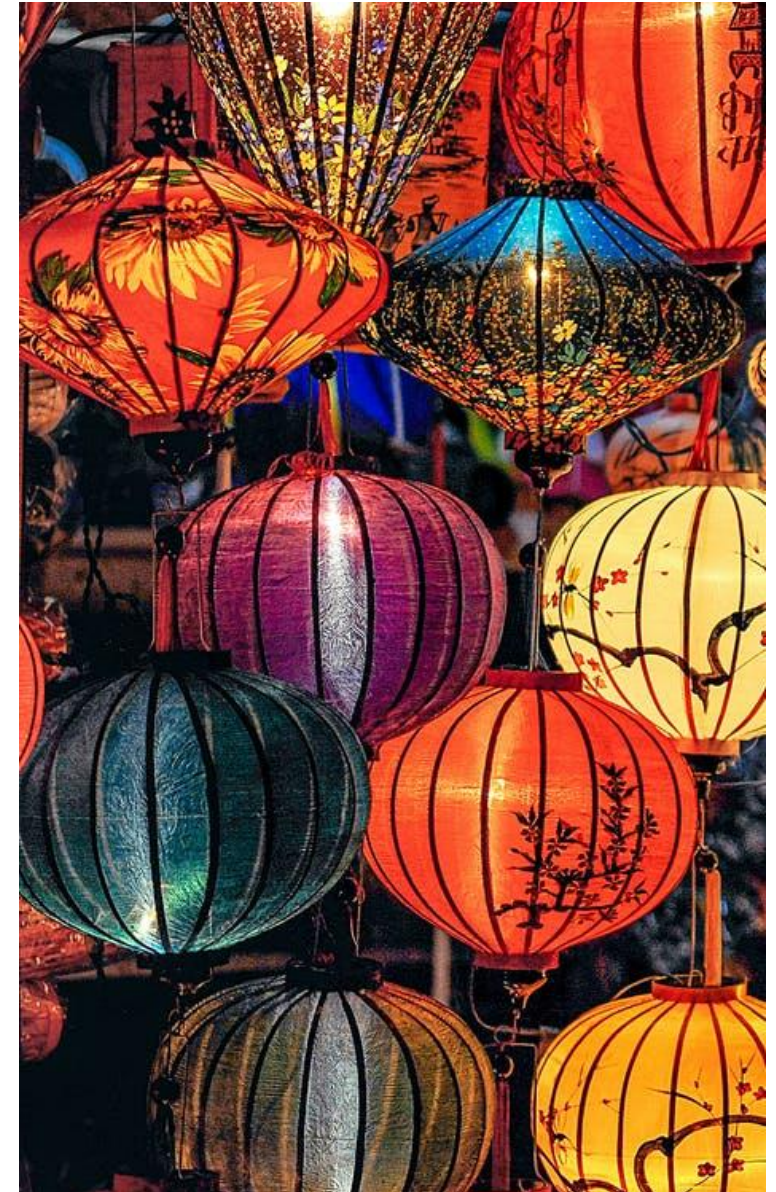


## 3. Culture as **dialectic** (Janosik, 1987)

- All cultures contain dimensions or *tensions* that are called dialectics
- Example: Judeo-Christian parables “too many cooks spoil the broth” and “two heads are better than one” offer conflicting guidance
- This can explain variations within cultures

## 4. Culture in **context** (Rubin & Sander, 1991)

- No human behavior is determined by a single cause
- All behavior may be understood at many different levels simultaneously (e.g., personality, social context, environment)



# How does culture influence negotiation?

Deeper expectations	
<b>Negotiation objective</b>	More of a signed contract or relationship
<b>Fundamental view of negotiation process</b>	Both win OR win-lose
<b>Social unit</b>	Individualistic OR group-oriented
<b>Power/decision making</b>	One person (authoritarian), small group, (in)formal
<b>Implementation</b>	How likely/expected; or is it just the starting point
Surface and process expectations	
<b>Team organization and representation</b>	What level, type, number is expected
<b>Etiquette</b>	Introductions, gifts, socializing
<b>Formality level</b>	Titles, dress, speak, interactions
<b>Communication</b>	What persuasion tactics are used
<b>Emotional expression</b>	Show OR hide feelings/emotionalism
<b>Risk and uncertainty tolerance</b>	Do they take OR avoid risks
<b>Sensitivity to time</b>	Impatience, urgency, short/long-term
<b>Form of agreement</b>	Detailed OR general principles



# How does culture influence negotiation?

## Four things to keep in mind...

1. Negotiators may not be able to modify their approach effectively.

It takes years to understand another culture deeply, and negotiators typically do not have the time necessary to gain this understanding before beginning a negotiation.

2. Even if negotiators can modify their approach effectively, it does not mean that this will translate automatically into a better negotiation outcome.
3. Negotiators may naturally negotiate differently when they are with people from their own culture than when they are with people from other cultures.
4. Moderate adaptation may be more effective than “acting as the Romans do.”





# How does culture influence negotiation?

## Different strategies for different levels of familiarity (unilateral OR joint strategies)

- Low familiarity
  - Use agents (advisors) OR mediators
- Moderate familiarity
  - Adapt to the other's approach OR coordinate adjustment
- High familiarity
  - Fully embrace the other's approach OR craft a flexible tailor-made approach



# TED time!





# CAUTION

DISASTER AWAITS THOSE WHO IGNORE HIDDEN THREATS.  
WE TRUST YOU'LL FIND THIS SUFFICIENTLY MOTIVATING.

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# THANK YOU FOR YOUR ATTENTION!