

# Methods of Teaching Intercultural Business Negotiation to Students of Business and Economics

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# *Methods of Teaching Intercultural Business Negotiation to Students of Business and Economics*

This paper focuses on the function of cultural dimensions and patterns in analyzing and comparing cultures to understand their differences and similarities.

- The cultural dimensions of *Geert Hofstede*
- The aspects of communication and culture identified by *Edward T. Hall*
- The cultural patterns described by *Richard Gesteland*





# *The components of cultural intelligence and intercultural competence required in intercultural negotiations*

## CULTURAL INTELLIGENCE

Cognitive component: the ability to understand and make sense of cultural cues as well as to **develop new cultural schemas**

Motivational component: the drive and the motivational force to adapt to the new cultural environment

Behavioural component: the ability to enact culturally appropriate behaviour

Tan and Chu, 2003

## INTERCULTURAL COMPETENCE

- communication skills
- tolerance for ambiguity, empathy, open-mindedness, flexibility
- ability to adopt a dual focus: focus on both task and relationship, positive attitude to learning
- **cultural knowledge**, tolerance for different styles and cultures, ability to succeed in multiple and diverse environments

Tan and Chu, 2003





- **Cultural knowledge**

is the basis of understanding and making sense of cultural cues and developing new cultural schemas (the cognitive component of cultural intelligence)

- **The cultural knowledge of business professionals**

can be supported by using cultural dimensions and patterns in analyzing diversities and similarities in cultures and business cultures.



# Hofstede's Cultural Dimensions

Values differ mainly along four dimensions:

- Power Distance
- Individualism versus Collectivism
- Masculinity versus Femininity
- Uncertainty Avoidance versus Uncertainty Acceptance

The behaviour and negotiating style of negotiators in international negotiations are influenced by their

- national, professional and organisational culture
- personal skills and character

Negotiators should “share the national culture and values of the country they represent, because, otherwise, they will not be trusted by their own side”  
Hofstede, 1991





# *Some presupposed consequences of related cultural dimensions*

## **Large Power Distance**

- centralised control and decision-making during the negotiation process.

## **Collectivist cultures**

- need stable relationships with their negotiating parties
- the replacement of negotiators should be avoided
- mediators and go-betweens play an important role
- formal harmony is required

## **Masculine cultures**

- sympathy for the strong
- ego-boosting behaviour

## **Feminine cultures**

- ego-effacing behaviour
- sympathy for the weak

## **Uncertainty Avoidance**

- low tolerance of ambiguity
- distrust of opponents





# Hofstede's Cultural Dimensions

- If negotiators are aware of the **approximate position of their (and the other party/parties') national culture's value system** in terms of cultural dimensions, they can predict significant aspects of their forthcoming negotiations in an intercultural environment.
- To be able to decode the other party/parties' communication and interpret their behaviour, negotiators should acquire **“an insight into their own cultural values and the extent to which these deviate from those of the other side(s)”**

Hofstede and Usunier, 1996







# Hall's Aspect of Communication: High and Low Context Communication

- Hall considers the level of context we use as the basis determining communication and behaviour.
- He says that two entirely different but highly interrelated processes make contexting possible:
  - **internal contexting** comprises the past experience (internal context) of the speakers.
  - **external contexting** comprises the situation and/or setting in which an event occurs (external: situational and/or environmental context)
- The components of the internal and external context of communication can be used as **communicational devices** - but different nations use them at **different rates**.







# *Hall's Aspect of Communication: High and Low Context Communication*

The level of context determines communication:

## **LC communication**

- it is the code which transmits most of the information
- its message is verbally coded
- explicit
- direct communication

## **HC communication**

- the context has more important role
- much information is transmitted non-verbally
- only a small part of the message is verbally coded and explicit
- the rest being implicitly in the context
- indirect communication





# Hall's Aspect of Communication: High and Low Context Communication

- **Low-context communication**

Western and Central Europe is toward the lower end of the scale

- **High-context communication**

Southern Europe is at the higher end.

**German and Swiss-German** is the lowest-context and **Japanese** is the highest context of all.

There are **no extreme differences** regarding the use of context in **European business negotiations**.

To 'ascertain the correct level of contexting' might happen **unconsciously within one's culture**, but the appropriate amount of context to use **between cultures can be determined only consciously**.





# *Hall's Aspects of Culture: Orientation to Time*

People belonging to different cultures handle time in different ways

- rooted in their **cultural tradition and social setting**

## **Monochronic (M-time)**

- doing one thing at a time
- events scheduled as different items
- North European model

## **Polychronic (P-time)**

- doing many things at a time
- involvement in several things at once
- the Mediterranean model





# Hall's Aspects of Culture: Orientation to Time

## M-time

- being tangible
- metaphores: "being saved, spent, wasted, lost, made up, crawling, killed and running out" [6].
- M-time is learnt as the logical way of organizing life.

## P-time

- world is dominated by human relationship
- tight scheduling is impossible

## Difficulties for business professionals in an intercultural context

"The two systems are logically and empirically quite distinct.

Like oil and water, they don't mix" Hall, 1991

Japan: incorporating both polychronic and monochronic functions  
adaptation to the dominant time system of the world





# Richard Gesteland's Cultural Patterns

## Deal-Focused vs. Relationship-Focused cultures

- DF people are task-oriented
- RF people are people-oriented in business relations
- DF people use direct, frank, straightforward language
- RF people use indirect language in a subtle, roundabout style

This pattern of diversities in communication and behavior has its roots in Hall's low-context vs. high-context aspect of communication.

## Informal vs. Formal Cultures

- informal vs. formal behaviour
- dependent on different rates of equality in societies:  
small differences in status and power vs.  
steep hierarchies, major differences in status and power

This pattern has its roots in Hofstede's high vs. low Power Distance dimension.





## Rigid-time vs. Fluid-time Cultures

- refer to the same type of cultures as Hall's monochronic vs. polychronic systems of life:
- punctuality, schedules, fixed agendas and deadlines vs.
- flexible agendas, loose scheduling, doing more than one thing simultaneously.

## Expressive vs. Reserved Cultures

- based on the behavior and verbal, paraverbal and nonverbal communication
- Expressive Cultures  
conversational overlaps and intense or firm eye contact
- Reserved Cultures  
conversational turntaking and moderate or indirect eye contact



# Richard Gesteland's Cultural Patterns

- Gesteland characterizes his book  
”as a **practical guide** for the men and women in the front lines of world trade, those, who face every day the frustrating differences in global business customs and practices”
- Gesteland's patterns of culture **categorise cultural variables in a simple way**, which is why they are easy to use by business professionals in business interactions and negotiations.





# Conclusion

Teaching Business Negotiation with an intercultural perspective for students of Business and Economics is a **multi-purpose task**:

- practice-oriented negotiation theory
- negotiating practice: simulating business negotiations
- **cultural knowledge**:  
characteristics of one's own culture and those of other cultures  
national, professional and organisational elements

It is impossible to possess all of the relevant information about all cultures in the major intercultural settings of business encounters.

It is **cultural dimensions and patterns** which provide the relevant means to compare and analyse diversities and similarities in the case of distinct cultures.





# Conclusion

If someone has acquired the **knowledge and skills** needed to use cultural dimensions and patterns,

he has **the ability to select the relevant information** concerning the culture which he encounters in intercultural business negotiations.

Thus this is why it is important to involve cultural dimensions and patterns in the **syllabus of Intercultural Business Negotiation**.

This paper focuses on the cultural dimensions of **Hofstede**, the patterns of communication and culture identified by **Hall** and the cultural patterns described by **Gesteland** for the simple reason that in the author's teaching practice **these were found the most adequate means for developing students' intercultural competence**.





# Conclusion

- **Misusing cultural dimensions** and patterns in dealing with cultures might lead to stereotyping.
- Using them consciously and trying to **find the interrelated dimensions of cultural dimensions and patterns** in respect of distinct cultures will help us to avoid drawing stereotypical conclusions.
- Further we should never forget that **all encounters in intercultural business negotiations are unique**,
  - since they are based on the **skills and personality** of individual negotiators,
  - **the cultural components** which they possess and the relevant
  - **professional, organisational and social settings** in which the negotiations are proceeding.





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• *Thank you for your kind attention!*



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