# Communication Problems Arising from Cultural Differences During English Negotiations

**Alexandra Agnes Meszaros**

alexandra.srssc@gmail.com

*Abstract: In the last few decades, the main factor which affected the global economy was the globalization. As a result of globalization, the nations aren't separated by borders anymore. This integration has an impact on the economy and society too. The different cultures make contact, because of personal, educational, or business reasons, and the connection requires a universal language. As the effect of the globalization, the international negotiations become more frequent, and English is the primary language of the business life. But despite the business partners speak the common English language, they do not think in the same way.The main goal of this research is to generate a better understanding of the problem that while the primary language of international negotiations is English, but because of the cultural background, the individuals do not understand the same meaning behind their expressions causing misunderstandings and problems. An exploratory research with in-depth interviews helps to comprehend the problem. The result of the study provides information to individuals who frequently participate in international negotiations or work in multicultural workplaces.*

*Keywords:cross-cultural, intercultural, internacional, negotiation, communication*

## Introduction

The main factor, which affected the global economy in the last few decades was the globalization. As a result of globalization, the nations aren't separated by borders anymore, and this integration has an impact on the economy and society too. The process of globalization has created a global interdependence and fundamentally changed the economic system and resulted in the free flow of people, capital, and information. The countries' economies linked with each other, and companies compete in an international field. The process of globalization is not a new phenomenon, but it has accelerated in the last few years as a result of technological development. Caused by the integration process, the different cultures make personal contact, and communication requires a universal language. The lingua franca in the XXI. Century is English. The culture influences the way

how a person thinks, learns, and communicates and also the way how someone interprets the surrounding environment. These are the reasons, why despite the individuals with different cultural backgrounds do speak the universal English language, they do not always mean the same content behind their expressions. Because of globalization, the international negotiations become more frequent, and English is the primary language of the business life. A negotiation is always a complex progress, but when it takes place between parties from different cultures, to avoid any misunderstanding more attention may be needed from the participants.

The purpose of this research is to discover the occurrence that the cultural background affects the output of international negotiation; to make a better understanding of the problem why during English language international negotiations, misunderstandings happen caused by the fact that different cultures have contrasting ideology; and to determine the issue that although parties speak universal English language during a cross-cultural negotiation, they do not mean the same content with their expressions.

The literature review expounds the phrase of culture in the view of its influence on business behavior. The literature review describes the definition of negotiation. It also outlines what differences may be expected in a situation when parties with different backgrounds negotiate, the potential problem sources, and the categories of diverse cultures by self-worth and belief of value.

The primer analysis is an exploratory research with in-depth interviews. The empirical study aims to comprehend the problem of misunderstandings caused by cultural background between non-native English speakers in the course of international negotiation. The data was analyzed by the grounded theory method, which is appropriate for empirical research, as the experience and opinion of respondents inquired. This research focusing on the business negotiations ignores the political and diplomatic meetings. The result of the study provides information for individuals who frequently participate in international negotiations or work in multicultural workplaces.

# 1   Literature Review

## 1.1   Meeting of Different Cultures

As a result of globalization, the borders between countries have faded, and the different cultures get in touch with each other on a daily basis. The culture in which we grow up has a far more significant influence on our everyday life than we might think. Most of the effects are not even conscious and involve the private

and business life too. Culture has an impact on our thought process, the way we learn, communicate, negotiate, and resolve conflicts (Kumar, 2015). As the web of business transactions have grown worldwide, cross-cultural communication became frequent. Due to the significant influence of cultural background on people's personalities, different cultures negotiate in a particular way, and thereby an international business meeting requires conscious preparation.

The phrase culture has many definitions. According to Hofstede (1984), culture is the collective programming of the mind that differentiate members of one group from another. It strengthened throughout history and seen as an uncertainty reducer factor during social changes (Illés, 2018). As stated by Tylor (1871), culture is the complex whole, which involves belief, knowledge, art, morals, law, custom, and any other capabilities and habits achieved by human as a member of society. Culture is a group phenomenon, a closed system, which provides cohesive force to the members of the community (Csath, 2008). As the effect of the dynamic changes caused by globalization, the national cultures have lost their predictive nature, which resulted in uncertainty for society.

Different national cultures have divergent economic values and paradigms; and this factor has an expanding influence on global trade (Chikán 2002). The mentioned process has changed the nature of international relations, because individuals have to work in a much closer relation than before. People with diverse cultural backgrounds have different values and business purposes. Any global business transaction, project, investment, or cooperation requires the understanding of cultural environment and values of the parties (Routamaa & Brandt, 2008). When entering a foreign market, the individuals have to count with the specifics of the new environment and adequately adapt to these factors.

Some researchers believe that the process of globalization has a homogenizing effect on the national cultures (Friedman, 1990, Szentes, 2002), while others assume the opposite, that the globalization contributes to the recurrent empowerment of the cultural heterogeneity (Amin, 1997). From one perspective, the global integration leads to an undivided universal culture, while the dominant universal culture threats the national or local ones with destruction (Szentes, 2002). The domination of the English language within global electronic communication, and the powerful influence of Western-American lifestyle only strengthens this process. From another perspective, the domination of English language communication makes the connection possible between those people, who come from different parts of the world, and they may not have any other options to establish relations (Szentes, 2002). This phenomenon brings closer the various individuals to each other around the world, and cognition of different cultures helps develop the collective consciousness of belonging to one universal human race ( Szentes, 2002).

## 1.2 Cross-cultural negotiations

Every negotiation is a social interaction between parties, whose purpose is to make a business agreement that fulfills both parties' diverse goals (Wheeler, 2004). Interests in negotiation situations may be different or opposite; therefore, the business meetings may be interpreted as a balancing activity between two differing poles (Dankó, 2004). The cross-cultural negotiations are more complex than within-the-culture ones because of the personal factors of individuals. The reason is that the person's cultural background influences the knowledge, values, norms, and behavior (Chang, 2003).

When arriving in a foreign place to make a business deal, the person will experience differences in some fundamental factors. According to Kumar (2015) the following differences may arise during an international negotiation: the partner strives for a long-term business relationship, or just a one-time deal; wishes to fulfill his interests or to a win-win situation; negotiates in a formal or an informal attitude; shows direct or indirect communication style during the process, shows or hides his emotions; and decision making by the leader or by the group.

Dankó (2004) specifies three factors, which may be a source of problem during the cross-cultural negotiation process; these are the stereotypes, cultural shock, and ethnocentrism. **Stereotype** is an averse attitude against a person only because he belongs to a particular group (Forgács 1998). **Cultural shock** may be experienced in a completely foreign environment, when the individual feels insecurity because he does not have any previous knowledge, how to behave in the new situation (Varga, 2018). **Ethnocentrism** is an ideology, when the person's culture is the center of everything and appreciates other civilizations compared to his own culture (Ortutay, 1977).

In the view of cross-cultural business interactions, the person's self-worth and belief of values in society are vital factors. From this aspect, cultures could be classified into three categories: dignity, face and honor cultures (Ayers, 1985). In **honor** culture, being ethical is essential; reputation is a crucial factor in society (Leung & Cohen, 2011). The members of the community have to suit to the social obligations, but against the face culture, the hierarchy in honor is instable (Aslani et al., 2016). In a negotiation situation, they are competitive and able to do anything to avoid seem weak (Leung & Cohen, 2011). Honor culture is typical in Latin-America and certain areas of the Middle-East. In **dignity** culture, the focus is on the individual's accomplishment, achieved goals, and individuality (Leung & Cohen, 2011). Not a priority in dignity culture to suit the local norms; in a negotiation situation, they focus on maximizing their outcomes (Aslani et al., 2016). Dignity culture is typical in the European-Union and the United States. In **face** culture, the most crucial factor is the individual's position in the social hierarchy; to suit the hierarchical commitments, make harmony and stability in the

face society (Aslani et al., 2016). They are the least competitive culture, which is typical in China, Korea, Japan, and certain areas of the Middle-East.

In a globalized world, adequate intercultural competence has become a key factor, and efficient cross-cultural communication is a must-have at a company, which competes on a global field (Kumar, 2015). In a cross-cultural team, the issue of motivation requires attention because individuals of different origin may be incited with diverse motives. Moreover, beside negotiations, cultural differences may cause misunderstandings between individuals who speak the same language (Kelemen-Erdős & Molnár, 2019). As a metaphor, if we compare cross-cultural negotiation to dance, it would be awkward if one partner starts waltz and the other does tango (Adair & Brett, 2005). This thought shows how important to respect the cultural differences during international negotiations. If we understand that negotiations are conversations aimed to reach an agreement, and different cultures negotiate in different ways, then we already have the basis of international negotiation skills (Kumar, 2005).

## 2   Methodology

I approached the issue with qualitative analysis and exploratory research. This method fulfilled the overall aim of the study, because the purpose was to make a better understanding to the defined problems and to specify the correlations. The purpose of a qualitative analysis is not to make a representative outcome or the objective exploration of the issue, but to analyze the personality, opinion, experience and the subjective reality of the individuals (Gelencsér, 2003). When I started to investigate the defined problems, I already had a significant amount of mosaic data from observation during my work and from my partners. Mosaic data is a kind of information collected unplanned from informal sources (Veres et al., 2006).

For the exploratory research, I obtained the data with in-depth interviews. This method allows the respondents to share their opinion, ideas, and experiences, which pieces of information was useful for my study. The sample contained 16 members, women, and men over 25 years who participate in intercultural negotiations. An interview took about 30-40 minutes in both Hungarian and English language; therefore, I had to face the problem of equivalence. The guide was focusing on the interviewee's opinions and experience and asking for sensitive data was avoided.

I used the grounded theory methodology to analyze the data. This process positioned between theoretical and empirical research. The grounded theory based on per sentence data analysis and continuously generates new research questions, ideas, and categories during the investigation. With the application of this method,

the theory involves from empirical data (Glaser & Strauss, 1967). The gathering and analyzing of data have to be extended until the new pieces of information can give a different point of view to the study. When this point was reached, and theoretical saturation has developed, this indicates the end of the research phase (Kenesei & Stier, 2015).

# 3   Results

I approached the problem from different perspectives like how the respondents prepare for an international meeting, what do they keep in attention during the process, what kind of stereotypes are they experiencing, what is the key to success, and what leads to misunderstanding. My respondents have business experience in the EU countries, North- and South America, Middle-East, and Asia.

The respondents agreed on the fact that a cross-cultural meeting requires adequate preparation. The preparation process consists gathering information and research on the internet. The three categories of this subject are local cultural specifics, partner and/or company, and the topic of meetings. The local cultural specifics involve taboos and forbidden topics. Before the meeting, the participant must prepare from non-business topics for "*small talk or icebreaker*", because a short conversation is capable of making an informal atmosphere which contributes to a successful outcome.

According to the findings, I formulated four categories on the factors which have to be kept in attention during the process of a cross-cultural meeting. These are the non-verbal communication, patience, clear communication and the respect of cultural differences. The category of patience refers to the different interpretation of time dimension among cultures. The respondent with experience in Latin-America or Middle-East highlighted the *"inaccuracies, delays and slips"* and the *"unnecessarily long dragging of decision-making".* Clear communication means that the receiver interprets the message in the same way as the sender. According to the participants, clear communication is the most critical factor during a cross-cultural meeting. One way to prevent this issue is by asking after every relevant section that "*do you understand, everything is clear?*".  The respect of the partner's culture is a crucial factor when doing business on an international field. The respondents agreed on the fact that respectful behavior shows honor to the partner, which also contributes to the positive outcome.

The findings of my research showed the importance of a local ally or third partners. "*It's important to have a trustworthy local partner, who communicates in the local language, always helps, and knows the local laws and rights.*" According

to the respondents, with the help of a local ally, a product with less quality could sell equally well as one with a superior quality.

I asked the respondents to evoke a successful cross-cultural negotiation and explain which factors lead to success, and I defined four core categories on this topic, which are win-win tactics, competitive offer, the respect of culture, and patience. The participants agreed on the fact that if during the negotiation, they also focus on the business partner's interest, he will behave in the same way, and the agreement will satisfy both parties.

I concluded during the inquiry of misunderstandings, that if interpreters are used during a cross-cultural negotiation process, no misinterpretation happens. I defined three categories which may lead to misunderstanding during an intercultural meeting; these are the unclear communication, the different interpretation of time dimension, and the different negotiation behavior of cultures.

I investigated the tactic habits in cross-cultural situations and defined three core categories which are: sincerity, conformity to the partner, and win-win tactics. Some of the respondents highlighted the tactics of asking more than they wish to get as an outcome, because they can reduce the price if the partner starts to bargain.

I concluded from the outcomes of the in-depth interviews that the respondents mix the expressions of stereotypes and racism. The findings presented that every participant of the research experienced stereotypes during business. The older persons have more cultural stereotypes than individuals in their thirties or forties.

 I approached the problem from different perspectives, gathered diversified pieces of information and with the grounded theory methodology, I defined seven core categories as the outcome and summary of this study: communication, local cultural particularities, partner and/or company, win-win situation, topic of the negotiation, patience, nonverbal communication.

The **clear communication** is the most important factor when negotiating in a cross-cultural environment. The cultures have different mentality and ideology; thus, they interpret certain expressions in a divergent way. The individual has to prepare from **local cultural particularities** before a cross-cultural meeting and have to respect these during the process. If the participant handles this factor inadequately, it may lead to an unsuccessful outcome. Before the negotiation, the individual has to gather information on the **partner and the company**, which he wishes to make a deal with, and respect him and his culture during the whole process. A **win-win situation** is the kind of negotiation's outcome, which is positive for both parties. The respondents highlighted the importance of focusing on the partner's interests as well, because this behavior may contribute to the successful agreement. Before the meeting, the participant has to investigate the **topic of the negotiation**. He needs information on how the specified culture

relates to the issue, and about the legal aspects of it. To avoid language problems, he must know the terminologies of the negotiated issue. **Patience** refers to the different interpretation of time dimension. To be aware of the local civilization's attitude to punctuality can be vital and saves the parties from many awkward situations. The respondents agreed on the importance of observing the **nonverbal communication signs** because it helps make conclusions about the partner's intentions. But must not be forgotten that some nonverbal communication signs have diverse meanings in different cultures.

**Conclusion**

The research highlighted the significance of the cultural background during negotiation processes, because it affects every aspect of life as business behavior. I analyzed the English language used for international business meetings. The purpose of the study was to make a better understanding of how cultural background affects the output of a cross-cultural negotiation. I made a qualitative, exploratory research, I collected data with in-depth interviews and analyzed with grounded theory methodology. I approached the problem from different perspectives, gathered very diversified pieces of information, and with the grounded theory methodology, I defined seven core categories that influence the output of an international negotiation and appoint further research directions. The main categories are: communication, local cultural particularities, partner and/or company, win-win situation, topic of the negotiation, patience, and nonverbal communication. The study appointed further research directions for my future work and I formulated four research questions.

The findings highlighted the role of patience during a cross-cultural meeting, which refers to the different interpretation of time dimension. That is a hard-to-understand factor for the individual because, in some cultures, to appear at the exact date of an appointment is not self-evident. **Q1**: What are the reasons behind the different interpretation of time dimension among different cultures. The findings of the study showed the importance of intention to a win-win situation, because it may lead to a successful agreement. In practice, the cross-cultural meetings frequently end with a win-lose or a lose-lose. **Q2:** What are the cultural related reasons for the win-lose or lose-lose situation on an international negotiation? My current research does not investigate the role of intermediary parties, even though their presence is frequently vital for the occurrence of a business meeting, which involves individuals from different countries. **Q3:** What is the role of intermediary parties in the success of cross-cultural agreements? As an effect of globalization, individuals have the opportunity to live, study, or work abroad, and this widens their horizons and changes their attitude to foreign people. There is a contrasting discovery among my findings that while younger respondents' opinion is the cultural differences will fade in the near future, the older respondents are sure that these differences will be intensified. **Q4:** How or in what directions will the cultural differences change in the near future as a result of globalization?

The findings of the study can be suggested for the individuals who attend international meetings or work in a cross-cultural team.

**Acknowledgment**

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