

Research on The Influence of Chinese and American Cultural Differences on Negotiation

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Abstract. In the complex landscape of global commerce, the ability to navigate diverse negotiation cultures and practices is paramount. Understanding and adapting to these cultural nuances can significantly enhance the success of international business dealings, fostering long-term cooperation and economic growth. By mastering the art of negotiation, businesses can better align their strategies with global partners, ensuring smoother transactions and more robust trade relationships. This article examines the cultural differences in business negotiations between China and the United States, offering corresponding solutions to enhance mutual understanding and cooperation. The descriptive section elaborates on the concept of negotiation culture, emphasizing its critical role in shaping business interactions. Through a comparative analysis, the article identifies key differences in communication styles, decision-making processes, and perceptions of time between Chinese and American negotiators. These cultural discrepancies often lead to misunderstandings and conflicts, undermining the effectiveness of collaborative efforts. To mitigate these issues, the article proposes several targeted solutions. The conclusion underscores the importance of recognizing and respecting diverse negotiation cultures. By adopting the recommended strategies, businesses can reduce cultural conflicts, enhance negotiation efficiency, and foster better cooperation and development between Chinese and American counterparts. This research holds substantial value for improving the success rate of international business negotiations and promoting global economic cooperation.

Keywords: Cultural Differences; International Business Negotiation; China; America.

1. Introduction

1.1. Research Background

Negotiation is an indispensable factor in international trade. However, when two different cultural groups sit at the same table, communicating correctly, using a method that the other party can accept, and whether it is the negotiation project or the negotiation language are all issues worth in-depth research.

Taking the United States as an example, since the establishment of diplomatic relations between China and the United States in 1979, it has been China's second-largest trading partner, second-largest export market, sixth-largest import market, and second-largest source of trade surplus, and the second largest trading partner of the United States, the third largest export market, the first largest import market, and the largest source of trade deficit [1]. It can be said that the economic development of China and the United States is closely related to their trade relations with each other. However, after the start of the trade war between the two countries in 2018, the export markets of China and the United States sharply declined, and the prices of domestic imported goods surged, which dealt varying degrees of blows to both countries. Since then, the pressure on international trade between companies from China and the United States has doubled.

The international trade pressure between China and the United States not only comes from the trade war that began in 2018 but is also largely related to the cultural differences between the two countries.

Two companies with different social systems, language systems, and cultural backgrounds may have differences in their understanding, translation, and expression of the same thing or sentence.

1.2. Literature Review

Geng's article points out that the conflict in international trade negotiations between China and the United States may be due to their different thinking patterns, including collectivism, masculinity, and uncertainty avoidance [2].

Ge proposed in her article that in international business negotiations between China and the United States, companies from both countries should use more rigorous, professional, and slightly humorous dialogue methods to facilitate smooth business negotiations [3].

Zhan mentioned in more detail in the article the influence of language habits on both sides of Sino-US negotiations, including differences in the meaning of the same sentence and the frequency of using honorifics [4].

1.3. Research Framework

Firstly, the author will introduce the negotiation culture of China and America. Secondly, this study will compare the negotiation culture of China and America. Then, some suggestions to improve the negotiation of the two different cultures will be presented. After that, the author will come up with a conclusion.

2. Description of Negotiation Culture

2.1. The Importance of Negotiation Culture

Business negotiation culture refers to the sum of values, behavioral norms, communication methods, etiquette norms, and other aspects followed by people from different cultural backgrounds in the process of business negotiations [5]. It reflects the characteristics and habits of business activities in different cultural backgrounds and is an important factor that cannot be ignored in business negotiations.

The importance of business negotiation culture lies in its ability to help negotiators better understand the other party's cultural background, avoid misunderstandings and conflicts, and improve negotiation efficiency and success rate. In international business negotiations, due to cultural differences between different countries, regions, and ethnic groups, negotiators need to pay more attention to the role of cultural factors and adopt more flexible and inclusive negotiation strategies to reach an agreement that is acceptable to both parties.

Business negotiation culture includes multiple aspects, such as etiquette norms, communication methods, time concepts, values, etc. Among them, etiquette norms are an important component of business negotiation culture, including dress, speech and behavior, polite language, and other aspects. There are significant differences in etiquette norms among different cultural backgrounds, and negotiators need to understand and respect each other's etiquette habits in order to establish good business relationships.

2.2. Characteristics of Chinese Business Negotiation Culture

Pay attention to interpersonal relationships: In China, business negotiations often not only focus on commercial interests but also place great emphasis on interpersonal relationships. Both negotiating parties usually strive to establish and maintain good interpersonal relationships before negotiations in order to achieve better results during the negotiation process. At the same time, Chinese businessmen are more inclined to cooperate with partners who have already established trust relationships, and this concept of long-term cooperation is very important in business negotiations.

Emphasizing Humility and Respect: In Chinese culture, humility and respect are considered very important values. In business negotiations, Chinese businessmen usually show a humble and respectful attitude to showcase their cultivation and qualities. They usually avoid using overly forceful language or gestures and are more inclined to resolve differences and disputes through polite and friendly means.

Emphasizing long-term cooperation: Unlike Western countries, Chinese businessmen place more emphasis on establishing and maintaining long-term cooperative relationships [6]. They usually spend more time and energy understanding each other's wishes and needs in order to find common interests during the negotiation process. When signing contracts, Chinese businessmen are also more inclined to choose long-term stable contracts to ensure that the cooperation between the two parties can continue.

Good at negotiation and compromise: In Chinese business negotiations, the ability to negotiate and compromise is very important. Due to the different interests and backgrounds of both parties in negotiations, it is necessary to find a mutually acceptable solution through negotiation and compromise. Chinese businessmen usually exhibit high flexibility and adaptability in order to better cope with various challenges and changes during the negotiation process.

High context cultural characteristics: China belongs to a high context cultural country, which means that nonverbal communication is an important way to transmit and understand information in business negotiations. Chinese businessmen usually communicate through nonverbal forms such as facial expressions, eye contact, posture, tone, and environment, which may lead to misunderstandings in different cultural backgrounds. Therefore, when conducting business negotiations with Chinese businessmen, special attention should be paid to these non-verbal factors to avoid unnecessary misunderstandings and conflicts.

2.3. The Characteristics of American Business Negotiation Culture

Cherish time and value efficiency: American businessmen attach great importance to time efficiency in negotiations. They usually arrive at the negotiation site on time according to the scheduled time and expect the entire negotiation process to proceed efficiently. They like to get to the point quickly, avoid excessive greetings and formalities, and directly discuss key issues.

Direct and honest communication: American businessmen tend to express their views and wishes directly in negotiations without being convoluted or ambiguous. They appreciate straightforward communication methods, believing that they can save time and improve efficiency. At the same time, they will also respect the other party's views and be willing to accept their feedback and suggestions.

Valuing profit and being pragmatic and proactive: American businessmen attach great importance to both profit and actual benefits in negotiations. They are good at using strategies and pursuing quick achievement of goals. They usually pay attention to the implementation of detailed clauses to ensure that each clause of the contract can meet the interests of both parties.

Strong legal awareness and emphasis on contracts [7]: American businessmen attach great importance to contracts and believe that contracts are the legal basis for cooperation between both parties. Therefore, they will repeatedly emphasize the importance of contracts during the negotiation process. They usually hire lawyers to participate in the negotiation process to ensure the legality and enforceability of contract terms.

Strong sense of humor, creating a relaxed atmosphere: American businessmen usually show a sense of humor in negotiations and are good at using light-hearted and humorous ways to resolve tension and relieve pressure on both sides. They believe that humor is an important skill in negotiations that can enhance mutual understanding and trust.

Emphasizing personal abilities and confidence: American culture values personal abilities and confidence, so in business negotiations, American businessmen often exhibit a strong sense of

confidence and independence [8]. They believe in their abilities and judgments and are willing to take risks and challenges.

3. Comparative of Negotiation Culture between China and the United States

3.1. The differences in Negotiation Culture between China and the United States

Differences in negotiation objectives: Chinese business negotiators place greater emphasis on establishing long-term cooperative trust relationships, while American business negotiators place greater emphasis on contractual relationships, signing detailed and substantial contracts, and achieving actual economic benefits. This difference reflects the difference between Chinese cultural collectivism and American cultural individualism.

Differences in negotiation attitudes: Chinese business negotiators place greater emphasis on harmony and cooperation and adopt a win-win attitude towards negotiations; American business negotiators, on the other hand, pay more attention to practical results and the realization of their own interests and tend to adopt a non-win-lose negotiation attitude. This reflects the difference between the meaning of “harmony” in traditional Chinese culture and the masculinity of American society.

Differences in communication methods: In the process of communication, Chinese people often adopt tactful and implicit expressions, emphasizing the importance of face and interpersonal relationships; Americans, on the other hand, express their views and interests more directly and candidly. The differences in this communication method may sometimes lead to deviations and misunderstandings in understanding between both parties.

Differences in decision-making styles: Chinese people usually tend to make collective decisions, emphasizing the importance of group intelligence and consensus; Americans, on the other hand, are more inclined towards individualism and autonomous decision-making. This difference in decision-making style may also affect the progress and outcome of negotiations.

Differences in attitudes towards risk: Chinese people are often more willing to accept the benefits of moderate risk-taking, while Americans are more cautious about risks and tend to avoid the potential losses caused by uncertain factors. This difference in attitude towards risk may also affect risk management and decision-making in negotiations.

3.2. Problem Identified

Language and communication differences: Chinese and English are two different languages, and each has its own unique ways of expression and logical thinking. This may lead to misunderstandings or poor communication during the negotiation process. To overcome this obstacle, both parties need to ensure sufficient translation and explanation, as well as patient listening and understanding of each other’s meaning.

Differences in values and ways of thinking: There are significant differences in values and cultural backgrounds between China and the United States, which may affect the decision-making process and negotiation strategies of both parties. For example, Chinese people may place more emphasis on collectivism and long-term interests, while Americans place more emphasis on individualism and short-term benefits. This difference may make it difficult for both parties to reach a consensus on certain issues.

Differences in business practices and laws and regulations: Due to differences in the business environment, laws and regulations, and market mechanisms between the two countries, specific regulations and practices may be involved in business negotiations. This requires both parties to conduct sufficient research and preparation before negotiations to ensure compliance with their respective legal provisions and business practices.

4. Suggestions

4.1. Suggestions on Language and Communication

4.1.1. Hire A Professional Translation Team

Hire professional translators and consulting teams to assist in handling cross-cultural negotiation affairs. They can provide language and cultural support to help bridge the communication gap and promote mutual understanding and cooperation.

4.1.2. Reasonably Utilizing Business Language and Nonverbal Strategies

When negotiating with Americans in business, they tend to express themselves directly and efficiently and do not like lengthy foreshadowing and implicit hints. Therefore, when expressing one's own views, it is recommended to use direct and pragmatic language and avoid using too much polite language. When responding to the other person's question, it is important to express their true thoughts honestly, ensure that the information is clear, and avoid using vague or ambiguous language. This communication method helps both parties to understand each other's needs faster and promotes the smooth progress of negotiations [9,10].

4.2. Suggestions on Ways of Thinking and Values

4.2.1. Increase Nonverbal Communication

In addition to formal oral expression, nonverbal communication methods such as body language, facial expressions, eye contact, and posture also convey rich information. This subtle nonverbal information often reveals the negotiator's true intentions, emotional states, attitudes, and expectations towards the negotiation.

Being good at observing and interpreting nonverbal information from the other party is an important skill for negotiators. By carefully observing the other person's body language, negotiators can determine whether they feel nervous, confident, or dissatisfied. The facial expression of the other party can also provide important clues, such as a smile indicating friendliness and satisfaction while frowning may indicate dissatisfaction or doubt. In addition, eye contact is also an indispensable part of nonverbal communication, which can reflect the negotiator's level of focus, honesty, and interest in the negotiation content.

4.2.2. Principle of Focusing on Interests Rather than Positions

Pursuing a win-win goal is crucial. It should abandon the practice of blindly adhering to companies' own position, ignore the differences in thinking or values brought about by different cultures, and actively explore the multiple benefits behind negotiations. Successful negotiations should focus on the common interests of both parties rather than their respective positions [11].

On the one hand, companies need to have a deep understanding and determine the interests of both parties. This requires us to analyze and explore the potential interests of the other party that may hinder companies' interests from their perspective. At the same time, from the other party's perspective, companies also need to consider and meet their needs to increase the likelihood of reaching an agreement between both parties.

On the other hand, it is equally important to engage in open and constructive interest discussions with the other party. Companies should summarize and accept the interests and demands of the other party and not dwell on past conflicts and differences. By identifying common interests between both parties, they can come up with insightful insights and jointly explore the best solutions to problems. This approach not only promotes cooperation and understanding between both parties but also ensures the smooth progress of negotiations, ultimately achieving a win-win outcome.

4.3. Suggestions on Business Practices and Legal Regulations

During the negotiation process, the negotiation strategies can be flexibly adjusted based on specific business practices and legal differences. Consider making concessions on minor issues in exchange for cooperation on important ones. During the contract drafting process, clearly reflect the commercial practices and legal requirements of both parties. Use clear and specific wording to avoid ambiguity.

In the process of drafting a contract, it is necessary to hire a legal advisor with international contract experience to provide legal advice and support for negotiations. Ensure the legality and enforceability of contract terms and reduce the risk of legal disputes.

5. Conclusion

Research on the influence of cultural differences between China and the United States on negotiation provides valuable insights into the complexities of cross-cultural communication in international trade. This study underscores the critical importance of understanding and adapting to cultural nuances to achieve successful negotiation outcomes. A comparative analysis of Chinese and American negotiation styles reveals significant differences in communication methods, decision-making processes, and conflict-resolution strategies.

The findings highlight the necessity for negotiators to possess a high level of cultural awareness and adaptability, particularly when engaging with counterparts from different cultural backgrounds. Recognizing and respecting these cultural differences can mitigate potential misunderstandings and conflicts, leading to more effective negotiations and mutually beneficial outcomes. This research suggests that cultural differences should not be viewed as obstacles but rather as opportunities for growth and innovation. By leveraging cultural diversity, negotiators can develop innovative strategies that capitalize on the unique strengths of each culture, fostering mutually beneficial relationships and contributing positively to the global economy.

Furthermore, the study emphasizes that cultural understanding and adaptability are critical in international negotiations. This research provides valuable insights for negotiators and policymakers seeking to navigate the complexities of cross-cultural communication and achieve successful outcomes in today's increasingly globalized world. However, it is important to note that this article lacks empirical data from interviews and surveys with individuals who have directly participated in international business negotiations. This limitation means that the findings may not fully capture the practical effectiveness of the proposed strategies in real-world business scenarios.

Future research should aim to address this gap by incorporating qualitative data through face-to-face interviews and surveys with professionals who have extensive experience in international business negotiations. Such data would provide a more comprehensive understanding of the practical challenges and benefits associated with cultural differences in negotiation. By engaging directly with practitioners, scholars can validate and refine their theoretical insights, ensuring that their recommendations are grounded in practical reality.

In conclusion, while this study offers a robust framework for understanding the impact of cultural differences on negotiation, further empirical research is necessary to enhance its applicability and effectiveness. This expanded approach will help bridge the gap between theory and practice, ultimately leading to more successful and beneficial international business negotiations.

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