

# A Comparative Study of Business Negotiation Styles Between China and the United States from the Cross-cultural Perspective

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**Abstract:** In today's background of economic globalization, the trade between countries around the world is becoming more and more frequent. China, as the largest developing country, has developed rapidly in recent years. China and the United States, a relatively developed country, have had frequent trade exchanges in recent years. However, due to the different cultures of the two countries, the styles of business negotiation are also different. If negotiators cannot fully understand each other's cultures and styles of business negotiation, it will lead to a lot of embarrassing things, and more seriously, the negotiation will end in failure. Therefore, to understand the cultural differences between China and the United States and master the characteristics of the business negotiation styles of the two countries will be conducive to better business negotiations, and it will be more likely to promote the cooperation between China and the United States.

**Keywords:** Cross-cultural, Business negotiation, Negotiation style.

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## 1. Introduction

As the name implies, cross-cultural business negotiation is a kind of mutual negotiation activity conducted by negotiators in order to achieve the transaction objectives under different cultural backgrounds. Generally speaking, cross-cultural business negotiations are conducted between different countries. Under different cultural backgrounds, negotiators from different countries can achieve win-win results by communicating and coordinating with each other on the basis of satisfying their own interests.

## 2. Feature of Cross-cultural Business Negotiation

The biggest difference between cross-cultural business negotiation and ordinary business negotiation is that the influence of cultural factors should be taken into account. Therefore, the biggest feature of cross-cultural business negotiations is that the negotiation styles and characteristics of business negotiators are greatly influenced by their own cultures. Different countries have different cultures, so negotiators from different countries will negotiate and communicate with different thinking in business negotiations. In addition to the biggest feature that cross-cultural business negotiation is greatly influenced by culture, it also has the following characteristics: First, negotiators of both countries will pursue the maximization of their own economic interests when conducting business negotiations. In the process of business negotiations, negotiators of both sides will use negotiation methods, negotiation strategies and negotiation-related plans set in advance for the purpose of pursuing the maximization of their own economic interests. If this point is left out, Then there will be no need for this business negotiation to continue, which will also lose the original intention and significance of the negotiation. Second, in the process of cross-cultural business negotiation, the negotiated price is always the core of the business negotiation. There is no doubt about this, because both negotiating countries are

pursuing the maximization of their own economic interests, which is bound to be closely related to the negotiation price. It is worth noting that cross-cultural business negotiations are generally business negotiations between different countries, and the payment method and delivery method are different from ordinary business negotiations. In particular, the delivery method, whether by sea or air, also involves the corresponding insurance issues. Therefore, before determining the cooperation, the negotiators of both sides should make clear the price of goods, the price of insurance and many other aspects of the relevant price, so as to avoid conflicts and some unpleasant things in the later stage. Third, cross-cultural business negotiations pay more attention to tightness and accuracy. The rigor mainly means that the thinking logic of the negotiators of both sides should be strict in the process of business negotiation. In cross-cultural business negotiations, negotiators generally come from different countries, and their thinking and expression methods are greatly influenced by their own cultures. Therefore, negotiators should know the culture of the opposite side in advance, and pay attention to strict thinking and logic in communication, which will promote the achievement of cooperation more likely. Finally, the pursuit and realization of win-win is the ultimate goal of cross-cultural business negotiation. This feature is the same whether it is a common business negotiation or a cross-cultural business negotiation. This is not difficult to understand. The process of business negotiation is actually a constant game between negotiators. Finally, when the results of negotiations meet the expectations of both parties, cooperation will be achieved and win-win results will be realized. Gong Huang pointed out in business negotiation and communication that mastering the basic characteristics and rules of negotiation is the prerequisite for business negotiation to achieve satisfactory results (234). So, it is very important to master the feature of business negotiation.

### **3. Principles in Cross-cultural Business Negotiation**

In cross-cultural business negotiations, negotiators should firmly grasp some basic principles. It is very important for business negotiators to master the basic negotiation principles, which is the most basic requirement for business negotiators, but also must be done, because it directly affects the normal conduct of business negotiations, and thus affects the results of negotiations. Next, the author from the principle of mutual respect, the principle of equal communication and the principle of pursuing win-win as the three most basic principles of cross-cultural business negotiation to explain.

#### **3.1. Mutual Respect**

The principle of mutual respect is a basic principle in cross-cultural business negotiations. Mutual respect, as the name implies, means that in the process of business negotiations, both parties should respect each other. Firstly, they should respect each other's negotiators and secondly, they should respect each other's culture without discrimination. During the negotiation, the negotiating style and characteristics of the two parties should be understood and respected. At no time should either party impose personal thinking on the other party. In *A Brief Introduction to the General Principles of Business Negotiation*, Yao Fengyun said that both parties should respect each other and be polite, and neither side should impose their personal will on either side (97-98). Mutual respect is a prerequisite for cross-cultural business negotiations, which are generally conducted by negotiators from different countries. If any party in the negotiation fails to respect each other, it is impossible for the business negotiation to continue. To put it more directly, if the negotiators are not respected in the process of cross-cultural business negotiation, which also means that they do not respect their own country, it is definitely impossible to carry on the business negotiation and there is no need to carry on. Therefore, negotiators should bear in mind that mutual respect is a basic principle of cross-cultural business negotiations, and they should pay attention to and comply with it in the process of cross-cultural business negotiations.

#### **3.2. Equal Communication**

The basic negotiation principle of equal communication is a relatively important principle in cross-cultural business negotiations. The principle of equal communication, as the name implies, means that in cross-cultural business negotiations, the identity and status of both parties are equal, and both parties have equal rights to conduct equal communication in the negotiation process. In fact, the identity, status, power and personality of the negotiating parties are relatively independent and equal in the process of cross-cultural business negotiation. Of course, the respective cultures of both parties should also be treated equally. These are the preconditions for conducting business negotiation. In the process of business negotiation, if either party loses the equal status with the other party or either party fails to respect the culture of the other party, then the business negotiation will lose its significance and eventually lead to the termination of the negotiation. In cross-cultural business negotiations, it is not a difficult problem to establish the basic principle of equal communication. Firstly, both sides of the negotiation should have a correct attitude, one side should not have any prejudice against the other side in any aspect, and

both sides should treat each other with an equal attitude during the negotiation. In this way, the basic principle of equal communication will be well implemented. Adhering to the basic negotiation principle of equal communication is the basis of cross-cultural business negotiations. Only by adhering to and following this basic negotiation principle can business negotiations proceed smoothly. It can be seen that the basic principle of equal communication is particularly important in cross-cultural business negotiations.

#### **3.3. Pursue Win-Win**

The win-win principle in cross-cultural business negotiations means that the final agreement reached in business negotiations is beneficial to both parties. It is worth noting that a business negotiation is not a competition. If one side of a business negotiation regards the negotiation as a game of competition, the party will try all means to suppress the other side to win. In the end, even if the party win the race, the party actually lose it. Win-win does not mean that the negotiation parties do not compete. The negotiation process itself is a process of mutual communication and competition. It is through competition that the negotiation parties pursue their own expected results and find a meeting point that can meet their own expectations. In a sense, business negotiations are built on competition, and they can't be conducted without competition. But it is worth noting that competition is not unlimited, not to fight to the point of death, but through competition in business negotiations, the negotiating parties to find their own best interests in line with the convergence, so as to achieve cooperation. For the win-win principle, another point is worth noting as follow. In the process of business negotiation, both parties should grasp the balance between substantive interests and relational interests. Both parties should treat the negotiation in the principle of mutual benefit and with a long-term perspective. The win-win principle focuses on the meeting point of maximizing the interests of both parties through negotiation, rather than the simple division of interests.

### **4. Comparison of Sino-US Negotiation Styles**

Negotiation style refers to the behavior, attitude and personal internal personality and so on, which exhibited by the negotiator in the process of business negotiation. Due to the influence of culture, different countries show different negotiation styles in business negotiations. In cross-cultural business negotiations, negotiators should know the culture and negotiating style of the other side in advance, which will make the business negotiations more smooth, which will make it more likely to reach cooperation. Under the guidance of the relevant cross-cultural business negotiation theories mentioned in the previous chapter, the author will compare and analyze the differences between the negotiation styles of China and the United States from five following aspects: negotiation objectives and attitudes, attitudes toward time and contracts, degree of risk taking, communication manners and decision-making behaviors.

#### **4.1. Differences in Negotiation Goal and Attitude**

Influenced by their respective cultures, China and the United States have some differences in negotiating objectives and attitudes in business negotiations. For Chinese

negotiators, they do not only value the cooperation in the negotiation. Influenced by Chinese culture, Chinese negotiators want to establish a friendly relationship with their counterparts and intend to cooperate with them for a long time. American negotiators, on the other hand, only value the cooperation during the negotiation. Influenced by American culture, American business negotiators have no intention of long-term cooperation. Therefore, in terms of the negotiation goal, Chinese business negotiators' negotiating style is to establish contacts, while American negotiators' negotiating style is to sign contracts. The smooth conduct of a business negotiation requires both parties to abide by the basic principles of cross-cultural business negotiation, such as mutual respect, equal communication and the pursuit of win-win situation. These principles have been described in detail in the above article. However, influenced by the local culture, American negotiators like to take advantage of small things in the process of business negotiations, which is different from that in China. However, in general, Chinese and American negotiators will eventually find a meeting point and reach cooperation. Therefore, as for the negotiating style of attitude, generally speaking, China and the United States have the same negotiating style, which is to pursue win-win situation.

#### **4.2. Differences in Attitude for Time and Contract**

Influenced by the local culture, Chinese people like to do everything methodically and step by step, and they like to think twice before making decisions. Therefore, in business negotiations, Chinese negotiators are generally slow to make decisions, there are generally more Chinese negotiators in business negotiation meetings. Before making any decision, Chinese negotiators will make a decision after serious discussion among themselves. Thus, in terms of attitude towards time, the negotiating style of Chinese business negotiators is less sensitive to time. As for the United States, it is a relatively developed country with a fast pace of life. Americans pay more attention to efficiency in everything they do and attach great importance to work efficiency. In addition, when attending business negotiation meetings, American negotiators usually go to fewer people. They will not discuss for a long time before making a decision, and generally make a decision soon after simple thinking. Therefore, in terms of attitude towards time, American business negotiators are more sensitive to time in their negotiating style. The biggest difference between China and the United States is that the United States requires every clause of the contract to be very detailed. American negotiators are very strict about the terms of the contract, so their attitude towards contract is specific. However, Chinese people pay more attention to interpersonal relationship. Chinese negotiators want to establish long-term cooperative relationship with their counterparts, so the requirements on contract terms are not so rigorous. In other words, Chinese negotiators' demands for contract is general.

#### **4.3. Differences in Degree of Risk-taking**

It is inevitable for some risks to appear in cross-cultural business negotiations. Due to the influence of culture, different countries have different degrees of risk taking in business negotiations. For Chinese people, no matter what they do, they generally have the psychology of seeking stability, and have a high degree of avoidance of uncertainty. In addition, for some risky things, before making a decision,

business negotiators will ask for advice from leaders higher than their own position, and they will not make decisions easily. Therefore, the degree of risk taken by Chinese negotiators in business negotiations is relatively low. Americans, on the other hand, pursue independence, freedom and equality. Due to the influence of their own culture, Americans have a strong sense of independence, low degree of uncertainty avoidance and dare to take certain risks. Therefore, in cross-cultural business negotiations, American business negotiators take high degree of risks.

#### **4.4. Differences in Communication Manner**

Due to the influence of culture, the communication manner of Chinese and American negotiators is different in the process of cross-cultural business negotiations. For China, influenced by traditional culture, the concept of "face" goes deep into the heart of every Chinese people. For this reason, in the process of cross-cultural business negotiation, Chinese business negotiators generally do not direct expression, but express their inner thoughts in a euphemistic way. Therefore, in terms of communication, the negotiating style of Chinese negotiators is indirect. As for the United States, due to the influence of the local culture, the American people are extroverted. They will not beat around the bush when expressing their thoughts, but directly express their inner thoughts. Just because of this, in business negotiations, when American negotiators disagree with the views expressed by the other side, they will directly refute them, rather than express them politely due to the concept of "face" as Chinese negotiators do. Therefore, for communication manner, the negotiating style of American negotiators is direct.

#### **4.5. Differences in Decision-making Manner**

Due to the cultural differences between China and the United States, business negotiators in China and the United States are different in the decision-making behavior of business negotiations. Salacuse once pointed out that in cross-cultural business negotiations, it is crucial to find out how the negotiating opponent makes decision. For China, since ancient times, China attaches great importance to etiquette and has a strong sense of collectivism. In the final decision of business negotiations, Chinese negotiators generally make a final decision through collective discussion and combined with the opinions of top leaders. Therefore, for decision-making behavior, the negotiating style of Chinese negotiators is collective. As for the United States, it believes in independence, and equality. In addition, there are usually only one or two people participating in business negotiation. Negotiators can directly make decisions without asking superiors for advice. American negotiators themselves are empowered to make any decision at the negotiating table. Thus, in terms of decision-making behavior, American negotiators are individuals with absolute discretion.

Under the background of economic globalization, trade between countries in the world is becoming more and more frequent. Because different countries have different cultures, the negotiation styles reflected in business negotiations are also different. In this paper, under the guidance of relevant theories in cross-cultural business negotiation, the author makes a comparative analysis of the business negotiation styles between China and the United States. In order to more clearly reflect the differences in the business negotiation styles between China and the United States, the author makes a specific analysis through specific cases. Thus, the

differences in business negotiation styles between China and the United States are more clearly reflected.

With the continuous development of economy, the connection between China and the United States becomes closer and closer, and the trade between China and the United States is also more and more frequent. Due to the cultural differences between China and the United States, the negotiation styles reflected in business negotiations are also different. It is worth noting that the differences in negotiation styles have a great impact on business negotiations. If the business negotiators of China and the United States do not know the differences in negotiation styles in advance, various situations may occur in the negotiation process, and more seriously, the negotiation will be terminated and the cooperation will fail. Therefore, the purpose of this study is to provide some reference materials for Chinese and American business negotiators, so that they can understand the differences in the styles of business negotiations between China and the United States, so that the future business negotiations can be carried out more smoothly and cooperation is more likely to be reached.

The author himself has learned a lot in the writing of this paper. The author has a detailed understanding of the differences between the business negotiation styles of China and the United States, and understands the importance of

understanding the negotiation styles of both sides in advance in cross-cultural business negotiations, which is likely to be of great help to the author in the future work and life.

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