The Palgrave Handbook of Cross-Cultural Business Negotiation

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Spanning over 30 years of academic life as a scholar in the international and global management areas, moving between North and South America, my career as a university instructor, academic administrator, and researcher has provided me with a unique perspective for commenting on the contribution made by a book on international and intercultural negotiations. From this particular perspective, the Palgrave Handbook of Cross-Cultural Business Negotiation, edited by Mohammed Ayub Khan and Noam Ebner, is a coherent and comprehensive collection of readings on the ever-complex topic of international and multicultural negotiations. The ample scope of the book provides the reader with perspectives garnered from both applied and theoretical approaches to negotiation. This book covers topics directly related to central theories of multicultural negotiation, includes contributions from a very diverse group of writers, and emphasizes the importance of external and contextual factors affecting the many ways in which negotiation scenarios unfold and their outcomes take shape.

In the face of complex and emerging business and social environment phenomena, the usefulness of this book is beyond any doubt. The theoretical chapters combined with applied discussions of multinational cross-cultural systems and negotiation provide conceptual frameworks and prescriptive answers to many of the situations that organizations and their leaders and influencers face when developing strategies to cope with exchange-driven external challenges. Furthermore, the readings contained in this volume create a comprehensive package of applied knowledge and critical theory insight. I consider the Palgrave Handbook of Cross-Cultural Business Negotiation a necessary addition to any university or private library. The book also makes the perfect reading pack for any university course and company training program.
in the fields of cross-cultural management and negotiation, providing both the learner and the instructor with a holistic view of the subject.

I recommend the book’s adoption not only to librarians but also to academics or practitioners interested in gaining a current and relevant perspective on multicultural negotiation. You may rest assured that this set of readings provides you with the latest ideas and concepts in this field, and that it will expand your knowledge horizon of this fascinating discipline.

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As globalization has increasingly brought members of different cultures into contact with each other, the study of culture and negotiation has gained corresponding prominence since the 1980s. Scholars have written numerous books and articles about the complexities of negotiating across cultures from various disciplines, ranging from context-rich, detailed descriptions of negotiations within a culture to comparative analyses of negotiation processes across cultures. Although cross-cultural negotiation research continues to expand our understanding of culture’s influence on negotiation, it has evolved much more slowly than mainstream negotiation theory and research. This book aims to help bridge that gap, even as it offers directions for future research.

This book offers readers three benefits: First, reading this book will improve your ability to negotiate successfully. You and your company will be more affluent, and you will experience fewer sleepless nights anticipating an upcoming interaction, given that you will have a robust framework and a packed toolbox for negotiation success. However, this promise comes with a caveat: Negotiation skills do not develop through passive learning. Instead, you will need to challenge yourself actively. We believe that negotiation skills are transferable across situations. In making this statement, we do not mean to imply that all negotiation situations are identical; negotiation situations differ dramatically across people, cultures, and activities. However, certain fundamental negotiation principles are essential across all these variables. The knowledge and skills contained in this book are useful across a wide range of situations, ranging from sophisticated, multiparty, multicultural deals to one-on-one personal exchanges. In summary, our model of learning is based on a three-phase cycle: Experiential learning, feedback, and learning new strategies and skills (Liu, 2015).
Additionally, this book offers an enlightened model of negotiation. Being a successful negotiator does not depend on your opponent’s lack of familiarity with a book such as this one or lack of training in negotiation. In fact, it would be ideal for you if your key clients and customers knew about these strategies. This approach follows what we call a fraternal twin model, which assumes that the other person you are negotiating with is every bit as motivated, intelligent, and prepared as you are. Thus, the negotiating strategies and techniques outlined in this book do not rely on “outsmarting” or tricking the other party; instead, they teach you to focus on simultaneously expanding the pie of resources and ensuring the resources are allocated in a manner that is favorable to you. While you might sometimes do well by recognizing a particular lack of preparation on your counterpart’s side, you will usually be better off using your knowledge and understanding in order to help them participate well in the negotiation process.

Global business management issues and concerns are complex, diverse, changing, and often unmanageable. Industry actors and policymakers alike need partnerships and alliances for developing and growing sustainable business organizations and ventures. Therefore, global business leaders must be well versed in managing, in leading multidimensional human relationships, and in creating business networks. Negotiation is key to all these processes. As a historical panacea to human and business problems and conflicts, the importance of learning about the discipline of negotiation is rising both in academia and in industry. Direct negotiation is, and has always been, the most effective method for resolving all forms of disputes and conflicts in human society, for forming beneficial deals, and for developing fruitful partnerships. Setting history aside for a moment, consider these recent and current developments on the global stage and at the industry level:

• BREXIT
• Negotiation of multilateral agreements at the WTO
• Resolving complex historical and multidimensional disputes in the Middle East
• Managing and resolving nuclear conflicts between the West and Iran and North Korea
• The US’ intentions of renegotiating NAFTA, TPP, and TTIP
• The myriad negotiations of recent mergers and acquisitions in the industrial world
• The conflicts in Syria, Yemen, and Afghanistan
• The recent calls for talks between Pakistan and India over Kashmir
• The South East China Sea dispute
• The Microsoft-Nokia Deal
Now, to add history back into the mix, consider that if instead of reviewing the present and the past five years for significant conflicts and deals in which negotiation played a major role, we had reviewed the past 20 years; the list would go on for pages and pages. This indicates that the importance of negotiation for international business and global relations will only continue to grow. We believe that all these developments on the global stage demand and require that leaders guiding such negotiations, and the many representatives actually sitting at the multiple tables involved in each process, possess an in-depth knowledge of the science and art of negotiation.

However, in today’s business environment, fundamental mastery of negotiation is only the first step. Managers and leaders negotiating around the world require an advanced understanding of how negotiations unfold in a globalized world encompassing the diverse and complex issues facing humanity. Actors at all levels of the modern firm find themselves interacting with counterparts from around the world, in a wide variety of contexts. Negotiation counterparts might be located in different countries, and colleagues might be from, or on, different continents. To be effective, negotiators must recognize, understand, and cope with the challenges of intercultural communication and negotiation.

Herein lies this book’s third, and unique, benefit.

There are many books discussing negotiation, some surveying various issues and others offering more complete operational models. There are books that discuss cross-cultural negotiation in a general sense. And, there are books of the “Negotiating in …” variety surveying negotiation tendencies of people from different countries. This book is unique in combining all three of these. It elaborates foundational elements of negotiation, addresses the theories and challenges associated with cross-cultural negotiation, and offers a wide range of country-specific chapters dedicated to exploring how these issues and others play out in a wide variety of locales, the world over. Rather than offering a single model of negotiation, claiming its applicability across regions and cultures (which many texts do, even though they have clearly been developed, and are most applicable in a developed Western setting), we’ve chosen to clarify basic elements of negotiation, pointing out that they apply differently in different settings. After providing a set of guidelines and terminology for understanding differences across cultures, we’ve then applied these elements of negotiation at the local level. The country chapters develop and implement, locally, issues discussed in the foundational section, making this book a comprehensive and useful reference book.
The book is unique in a number of other ways. First, in the number of countries covered, and the wide range of geographies, regions, economies, developmental stages, and cultures they span. The book covers 18 countries from all around the globe. Second, it focuses on the business context. Other texts do not maintain this focus—discussing country cultures and behavioral tendencies in general or focusing on (or mixing in) exploration of negotiation patterns of diplomats or peace negotiators. Third, it combines academic and practical elements. The foundational section of the book provides a theoretical grounding from an academic perspective. This is shored up locally and practically: locally, by introducing literature relating to each of the locales detailed in the country chapters, and practically by relating to each of these locales through the perspective of each country chapter author’s experience working in that country, offering local case studies, local business norms, and local negotiation dynamics that go beyond the literature and offer the reader a window into the actual practice of negotiation in that country. Fourth, this book truly designs a web of knowledge, theory, and practice, given that it comprises the work of authors with diverse and impressive backgrounds in academia and practice, from a wide range of countries around the world. Their backgrounds are varied, yet they all share deep and vast knowledge of local and international industry practices as well as experience with the rigors of academia developed in their work as teachers and researchers in areas of international business, management, and other disciplines. Their work bridges the worlds of practice and academia through their participation in international academic and professional conferences and their engagement with the industrial world as consultants and trainers. Fifth, and last, is that this book does not default to a Western perspective. The editors each have roots in East and West, and the diversity of the country chapter authors is as global as the span of the countries they cover. Our aim was to have a book that is as useful for someone traveling from East to West as it is from West to East, and from North to South as from South to North.

Of course, when we use terms such as “Global” to discuss the book, we do not imply that we have surveyed every nationality, country, or culture in the world. Nor do we suggest that the countries we have included in the book are representative of the full global set in any way. When we set out to create this book, we aimed to collect as many county chapters as possible in a given time frame, with the overall assumption that no country was inherently more important than any other. In practice, we admit to being particularly excited when we were able to secure authors writing about countries which had hardly or never been examined from a negotiation perspective. However, in the end,
compiling this book involved our global solicitation on the one hand and our commitment to quality and to publication deadlines on the other. The outcome is the book now before you. Reviewing our outcome in the final editorial process, we note that while the book spanned many divides—continents, developed and undeveloped countries, East and West, North and South, two elements are missing. One is a chapter on the United States. While this would seem to leave a big gap, we suggest that this gap is not as large as it seems. Many books written on negotiation are, arguably, books about negotiation in the United States, even if they don’t hold themselves out as such. In fact, the very fact that US negotiation experts write about negotiation without specifying that their expertise, research, and experience are largely couched against US context and culture is arguably, in itself, a cultural statement about the United States and US negotiators. Readers preparing to negotiate in the United States would do well to read the general sections of this book, and then, with a cross-cultural perspective set firmly in place, read one of the many excellent books on negotiation written by US-based experts. We feel, on the other hand, that the lack of any chapters discussing negotiation in African countries does indeed pose a gap in the body of knowledge this book offers. We hope others will fill this gap or to address it ourselves in a future edition of this book. Such are the vagaries of international authorship and publishing; we hope our readers understand this and are similarly accepting of subjective omissions, such as finding that their own home country was not specifically covered in the book.

This book offers itself to different types of readers. We hope it will provide teachers of negotiation, international business, cross-cultural interaction, international relations, and more, a contemporary and uniquely helpful textbook to assign in their courses. It may also be of interest to teachers of courses in the fields of engineering, development, the social sciences, and the humanities. Beyond serving teachers and their students, the book will provide corporate trainers with the background material necessary to enhance their companies’ performance and researchers on these topics a wealth of material to utilize in conducting cross-cultural comparisons. In this sense, we hope the book to be influential and generative in the fields of international negotiation and intercultural communication rather than remain merely descriptive. Finally, we hope it will be read by individual world travelers and, particularly, managers outbound for negotiations with new partners or in new markets around the world, with an invaluable resource for preparing for negotiation, in general, and for dealing with their anticipated counterparts.

As described below, the book has five parts.
Part I: Negotiation Across Cultures: Establishing the Context

This part of the book includes “Chapter 1: Global Business Negotiation Intelligence: The Need and Importance”. The content of this chapter helps us to fine-tune our negotiation approaches as we deal with a variety of issues, impacted by news and views that reflect the global dynamics that we face today and expect to live with during the years and decades to come. The chapter also highlights the most important global trends and tendencies in the business arena. These trends and tendencies reflect wider global dynamics and the realities of our changing world.

Part II: Negotiation Across Cultures: Theoretical Understanding

This part covers basic and advanced issues in the field of negotiation, encompassing fundamentals of negotiation, transcendental negotiation, negotiating alliances and partnerships in international business, and negotiating via Information and Communication Technology (ICT)-based communication channels. It culminates with a chapter on global cultural systems, which constructs pathways for applying all of these foundational issues in cross-cultural settings.

Chapter 2: Understanding the Scope and Importance of Negotiation

The discussion of the role and importance of negotiation in resolving conflicts of any size, nature, level, and degree has always been an essential subject in the academic community and professional environment. Negotiation is one of the fastest, cheapest, and most common alternatives to dispute resolution in the context of international business as well as for resolving interpersonal disagreements. Therefore, understanding its significance and application is essential for novices and experienced practitioners alike. Notably, it is essential to learn how to conduct negotiations across cultures and in different countries of the world. This chapter, therefore, is dedicated to detailing various aspects of negotiation, including its basic definitions, concepts, and theories, as well as its relationship with other competing alternatives of dispute resolutions such as adjudication, arbitration, and mediation.
Chapter 3: Negotiating for Strategic Alliances

Alliances play a vital role in today’s economy, which is characterized by value chains that often transcend national borders. As each partnership is different, there is a need to negotiate specific terms, including the scope of activities, equity participation, and the contribution of each of the partners. A vital part of the setup process is the negotiation of the original agreement. Sophisticated alliance contracts contain provisions for containing the partners’ opportunism, stepwise implementation, contingent agreements, and clauses for dispute resolution. The operational phase of the alliance can be framed as an ongoing negotiation process, which will lead to a new round of renegotiations or a breakup. Given the degree of complication and the evolutionary nature of alliance, it is recommended that each partner designate interface managers for managing the ongoing relationship.

Chapter 4: Transcendental Negotiations: Creating Value with Transgenerational Negotiations

This chapter aims to encourage negotiators to not only pursue their desire to create value through their short-term deals but also to strive to achieve more temporary evolutionary solutions that will impact future generations. Future generations include future interactions between the parties, general developments in society, and, literally, interactions between negotiators’ descendants. We introduce the moral pillars that can support such transcendental negotiations and encourage readers to practice these pillars in their next negotiations. A brief review of negotiation theory is presented, laying the groundwork for introducing a type of negotiation, as an alternative to the commonly-discussed distributive and integrative categories. In this alternative framing of interaction, negotiators transcend the transaction and break away from the paradigm of individualism, which dictates that the only possible way to achieve success is by manipulating others, emphasizing personal gain and selfishness.

Chapter 5: Negotiating with Information and Communication Technology in a Cross-Cultural World

This chapter introduces the benefits and challenges of using ICT-based channels for negotiation. Applying a number of key theories from the field of communications—Media Richness Theory, Channel Expansion Theory, and
Media Synchronicity Theory—it explains the ways in which people use communication media and the ways in which any given media affects the communication it conveys. These theories are applied to negotiation, to frame challenges that online negotiation poses to successful negotiation—and to provide guidelines for overcoming them and for utilizing ICT beneficially. These issues are considered in light of ICT-based negotiation’s use for cross-cultural negotiation in the modern business world.

Chapter 6: Global Cultural Systems, Communication, and Negotiation

Globalization, and an unprecedented level of international traveling, communication, and business, make cross-cultural negotiation a necessity. This chapter introduces cross-cultural management theories and explains how differences in national cultures influence the way negotiations are conducted around the world. Results show that motivation to negotiate, decision-making, and negotiation processes all change with culture. This part of the book contrasts the usefulness of national culture theoretical frameworks with their limitations, suggesting ways to deal with challenges and objections. The chapter presents new trends in the field, such as the Cultural Intelligence framework, and discusses opportunities for future research. Throughout the chapter, the author provides numerous culture-specific examples and practical recommendations for the global negotiator.

Part III: Negotiation Across Cultures: Country Analysis

Part III applies the fundamental principles laid out in Part II while adding a cultural overlay. This part surveys 18 counties from all around the world about negotiation practices of managers. Chapters in this part were contributed by experts who were born, have lived, studied, and/or worked in those countries, allowing them to complement their discussion of relevant literature with real-world experience and familiarity with the business environment, socio-cultural dynamics, and negotiation culture of each locale. This part is dedicated to the study of negotiation styles, strategies, and techniques used by negotiators from different countries in different regions in the world. The country-specific chapters comprising this part discuss each country’s unique negotiation environment, as well as provide information on several predetermined topics we specifically asked authors to address, including:
• Country background analysis (historical perspectives as well as national indicators).
• National cultural analysis based on cultural theories such as Hofstede’s (2001) national dimensions of culture or Hall’s (1976) model of high- and low-context cultures. Authors were free to choose to select and present cultural analysis theories as per their preferences, interests, and expertise.
• Discussion of the general business environment.
• National preferences or mind-set, with regard to approaches to resolving differences, disputes, and conflicts in business, politics, or personal life.
• National negotiating styles, strategies, and techniques—based on a literature review as well as the professional experience of each author.
• Qualities, strengths, and weaknesses of negotiators from each country.
• Exceptions to national negotiation culture: Subcultures and contextual differences.
• Best practices for negotiating with managers from each country.
• Database links and references to provide readers access to further information sources on negotiation in each country.

The part includes the following chapters:

Chapter 7: Negotiating with Managers from Britain
Chapter 8: Negotiating with Managers from Mexico
Chapter 9: Negotiating with Managers from France
Chapter 10: Negotiating with Managers from Israel
Chapter 11: Negotiating with Managers from Iran
Chapter 12: Negotiating with Managers from Pakistan
Chapter 13: Negotiating with Managers from Germany
Chapter 14: Negotiating with Managers from Turkey
Chapter 15: Negotiating with Managers from Spain
Chapter 16: Negotiating with Managers from Singapore
Chapter 17: Negotiating with Managers from Russia

**Part IV: Negotiation Across Cultures: Multinational Analysis**

This part comprises several chapters that instead of, or in addition to, exploring an individual country or countries, provided a significant level of multi-country or multicultural comparative analyses. These chapters further expand
the number of country analyses provided in the previous parts but are included as a separate part to highlight their additional contribution of methodologies for multinational and multicultural comparison and recommendations for operating in multinational and multicultural environments.

Chapter 18: Negotiating with Managers in a Multicultural Context: The Unique Case of Dubai
Chapter 19: Expatriate Managers as Negotiators: A Comparative Study on Australians in China and French in Brazil
Chapter 20: The Australian Style of Negotiating with Managers from China
Chapter 21: Negotiating with Managers from South Asia: India, Sri Lanka, and Bangladesh

Part V: Negotiation Across Cultures: Future Directions

This part forecasts future trends and developments in the field of international negotiation.

Chapter 22: Wind of Change: The Future of Cross-Cultural Negotiation

This chapter reflects on some of the topics and themes emerging throughout the book, discussing changes that lie in store for negotiators and negotiation interactions in a world in which rapid, significant change has become the norm. It provides recommendations for negotiators on improving their capacity to adapt to new contexts and forms of negotiation.

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References