CHALLENGES IN INTERNATIONAL NEGOTIATIONS: CULTURAL BACKGROUND AND CONTEXT

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Abstract: *Cultural differences have an effect on a multiple range of interactions and the domain of international negotiations is nevertheless strongly influenced by the cultural background of its actors. In this article, we will bring into discussion the applicability of Geert Hofstede's widely quoted cultural dimensions to the negotiation process. To what extent can cultural differences have a saying in a world strongly influenced by political and economic factors? Also, the notions of fairness and non-negotiable will be analyzed, starting from the existing literature and continuing with a series of current events that set the scene for tenacious negotiations within the European Union.*

Keywords: *negotiation, cultural dimensions, fairness, non-negotiable*

1. INTRODUCTION

Categorizing should not invalidate a person as a good negotiator and should not fall under the denomination of unethical behavior. In a handbook on humanitarian negotiation, Deborah Mancini-Griffoli and André Picot explain that categorization is necessary in organizing reality. In making reference to the categorization based on the cultural identity of the counterpart in a humanitarian negotiation context, they consider it to be "at once unavoidable, useful and dangerous". It might appear to be an unusual association of terms at first, conveying neutral, positive and negative connotations, but the authors clearly explain their choice: "It is unavoidable because you cannot stop yourself from trying to frame the person with whom you are establishing a relationship [...] useful because by drawing up a provisional image you will later be able to modify it little by little as you get to know the person better [...] dangerous because you run the risk, due to a lack of information or curiosity, of sticking to your first impressions, stereotyping and never adapting your view." [1, p.126]

This is how we consider that cultural typologies should be used in a negotiation context, as categories that we can group people on, so that we have a possible starting point.

In order to support this idea, the following article follows two main directions, namely the cultural dimensions proposed by Geert Hofstede and their possible applicability to international negotiations, and the manner in which the notions of fairness and non-negotiable are perceived depending on the context.

2. CULTURAL DIMENSIONS IN NEGOTIATIONS

To begin with, we have chosen to discuss Geert Hofstede's cultural dimensions theory and its applicability to the domain of international negotiations. Following a study on the attitudes to work of the employees of multinational companies, based on their cultural specificities, Hofstede classified cultures, at a first stage of his studies, into four major bipolar groups. The first four dimensions were introduced in 1980, and a fifth one was added in 1991.

Hofstede activated in the intercultural environment since 1965, which makes his studies the result of personal experience combined with statistical data obtained through the surveys and questionnaires applied to representatives of 55 countries.

The researcher analyzed a sample of 116.000 employees of IBM, and he concluded that there is a difference in the systems of values of these representatives.

Between 1990 and 2002, Hofstede published six more studies in this domain. In 2010, he published another edition of the book *Cultures and Organizations: Software of the Mind,* with the contribution of Michael Minkov and Gert Jan Hofstede; in this volume the authors analyze the cultural dimensions in 76 countries.

Hofstede distinguished four fundamental terms to describe the manifestation of cultural differences: symbols, errors, rituals and values. Symbols are the most superficial manifestations and values are the most profound ones. He also considers that there are different prominent levels of culture, namely: national level, regional/ ethnic/ religious/ linguistic affiliation level, gender level, generation level, social class level, organizational level. [2, pp. 23-26]

The first five cultural dimensions identified by Hofstede that we are going to present are: Power Distance Index, Individualism versus Collectivism, Masculinity versus Femininity, Uncertainty Avoidance Index, and Long-Term versus Short-Term Orientation. [2, pp. 29-32]

Power Distance Index (PDI) – refers to the attitude of the people from a particular culture to social inequality. This dimension quantifies the interdependencies between the people in a leading position and their subordinates, the degree to which people of a lower hierarchical position allow their superiors to have a bigger or smaller power over them. In low PDI societies, there is a limited dependency between superiors and subordinates, which make formalities and statue, have a smaller importance. In high PDI societies, the emotional distance between superiors and subordinates is very high, power may overcome justice, and there is a high degree of obedience and respect. [2, pp. 40-60]

The dimension Individualism versus Collectivism (IDV) is the extent to which a culture encourages the dependence of an individual on the group or groups that he belongs to. In a highly individualistic society, the task is more important than the inter-group relations and the relations between people are more reduced. On the other hand, in societies with a higher degree of collectivism, it is the interest of the group that prevails, the groups are very strong, with well integrated individuals, and there is a strong accent on a participative type of management. [2, pp. 68-86]

The dimension Masculinity versus Femininity (MAS) deals with the distribution of roles between men and women and what values are dominant in a society. In societies with a high degree of masculinity, the values that prevail are prosperity, recognition, gain, competition, support for the strong, whereas the values that are considered to belong to femininity are cooperation, safety, strong relations between people, perseverance, support for the weak. When dealing with conflicts in a society focused more on masculine values, the tendency is towards dispute, as opposed to compromise and cooperation. [2, pp. 101-125]

Uncertainty Avoidance (UAI) comprises the attitude of a society to uncertainty and the manner in which uncertain situations are dealt with. In some cultures, people consider that uncertainty is part of their lives and that there is little they can do to influence it. Hence, individuals are more open to risk-taking and to innovation. In other cultures, people strive to control the future, they have a strong need for security and there is a high confidence in specialists and their knowledge. Hofstede points out the fact that avoiding uncertainty is not equivalent to avoiding risk. To support this idea, he gives the example of high road speed limits in high UAI countries, as the priority is to avoid the uncertainty and the stress caused by wasting time and not the risk of accidents to occur. [2, pp. 133-149]

The fifth dimension, Long-Term versus Short-Term Orientation (LTO) deals with the period of time allocated to planning. Societies with a high LTO level adapt traditions to the modern context, they are judicious when using resources, and they aim at long term results. Societies with a low LTO do not place a lot of emphasis on saving and investments; they focus on short term results, and have a great respect for traditions. [2, pp. 169-202]

In the 2010 edition of *Cultures and Organizations: Software of the Mind*, a sixth dimension – Indulgence versus Restraint - was introduced. Indulgence refers to the tendency of allowing the satisfaction of basic and natural human drives, to the tendency of enjoying life and having fun. In restraint driven societies, there is the conviction that satisfying the above mentioned needs should be subject to strict social norms. [3, p.281]

When applying these results, one must take into consideration the fact that cultural dimensions, in spite of the fact that they proved to be rather stable and that Hofstede's cultural model was and continues to be quoted on a large scale, are nevertheless relative. [4]

Before discussing how these cultural dimensions can influence the negotiation process, it is noteworthy that this model did not lack criticism. For example, in an article published in 2002, Brendan McSweeney, professor at the School of Management of Royal Holloway University of London, criticizes the fact that Hofstede overgeneralizes the results obtained from relatively limited samples to the national level, and the fact that the subjects of his survey were the employees of a multinational company, which makes them less representative. [5]

However, we consider that, as people become more conscious of their cultural specificities when they are able to compare them and they enter into contact with different systems of values, analyzing individuals that work in a multinational company does not automatically make the results biased. Also, when a person is old enough to be employed, a lot of cultural specificities already exist and are noticeable, whether that person is aware of them or not.

Another objection brought forward by McSweeney is directed towards the bipolarity of Hofstede's dimensions, towards the fact that they are presented in contrast one to the other. The reason behind this criticism is the fact that the two antipodes can coexist, depending on the situation that determines each of them to stand forward, on the context. [5, p.105]

Hofstede answered these accusations by stating that the cultural dimensions he he identified should not be regarded as the sole instrument of measuring cultural differences. Even if he agrees to the fact that nations might not be the best units of studying cultures, they were the only ones available for comparison. Also, he points out that his intention was to show the differences between national cultures, not to make a thorough description of them, and that the results of his findings turned out to be valid throughout his additional research and not only. Hofstede adds that his intention was to explain behaviors, and that culture is not the only aspect that should be taken into account. [6, pp. 1357-1359]

But Hofstede was not alone in his attempt

to justify the validity of his research methods. For example, Dermot Williamson, professor at Lancaster University, also analyzed McSweeny's criticism. He considers that Hofstede's dimensions were not designed as absolute measurements, but as relative positions based on which nations can be compared. [7, p.1375]

His answer to McSweeny's observation that dimensions should not be presented as bipolar is that, even if this perspective of bipolarity can neglect the complexity of the cultural world, it can facilitate quantitative analysis. Also, he condemns the fact that McSweeney does not demonstrate that the results obtained by Hofstede have been compromised, and that there are actually studies that confirm his discoveries, such as the *Chinese Culture Connection* 1987, a study not on the corporate environment, but on a series of students, which led to similar results. What Williamson reveals is the fact that, even if there are some aspects of McSweeny's article that should be taken into consideration, there is no substance to his criticism, as he does not offer his own perspective on the dominant cultural dimensions. Also, rejecting Hofstede's model would mean rejecting the nomothetic techniques of analyzing cultures, and his conclusion is that culture should be analyzed using multiple methods of research.[7, 1380-1389]

In order to bring forward the possible usage of the cultural dimensions by the negotiator activating in the intercultural environment, we will make use of a series of guidelines for humanitarian negotiations proposed by Deborah Mancini-Griffoli and André Picot. According to the authors, power distance has a great influence on the negotiation process, as people's attitudes to power guides their behavior towards discussion, deference or dissent. Also, male-female relationships have an impact on how a mixed team will be viewed. Whether we are addressing counterparts form a more individualistic or more collectivistic society should help in deciding whether to argue in favor of individual rights or the rights of the group. High uncertainty avoidance negotiators will probably not go back on clarifying certain aspects at a later stage of the negotiation process or leaving some grey areas, whereas those of a low uncertainty avoidance background would probably want all details to be settled during the negotiation.

The perception of time also has a great

influence in the negotiation process, as some might perceive offering more time as a sign of respect and others might interpret it as a waste of their own time; similarly, choosing the right moment for a meeting is not always an easy task. Non-verbal communication, the delimitation between public and private space, offering gifts or not, whether it is the buyer or the vendor who makes the first bid, using a more or less aggressive style of bargaining, all these aspects can be influenced by the cultural background and can lead to the success or failure of a negotiation. Also, as useful as being familiar with your counterpart's habits and customs might be, imitating them is not always the best option, as instead of perceiving this endeavor as a sign or respect, it might be put people in awkward positions. [1, pp. 127-129]

It is noteworthy that, just as we can talk about differences in the negotiation styles depending on the national cultural background of the negotiator, in international relations we can also talk about an even wider style of negotiation, the style of the international institutions negotiators. In an article on how institutional environments impact the styles of negotiation, Jeffery Lewis indicates a European *dynamic density* and a *cooperative style* of the Council of the European Union that is not applicable to the Asian institutional context. [8, pp. 20-21]

Professor Vasile Pușcaș, an expert in the domain of European negotiations, states that in spite of the fact that we cannot consider that there is a particular European style of negotiations, European negotiations are characterized by a *certain specificity or individuality*: "formal negotiations are connected to the informal ones, creating a link between both the internal levels and sectors, as well as between the internal and external negotiation of the European Union". [9, p. 18]

3. THE FAIR AND THE NON-NEGOTIABLE

Alfredson and Cungu bring into discussion the concept of fairness in the negotiation process, more precisely the *perceived fairness* driven by the joint decision-making process, which leads to positive relations between parties and improves satisfaction. To exemplify this process, the authors give an example from day-to-day interactions.

How should a father divide a piece of cake between his two children, without risking that one or both of them will be discontent? A *fair process* would be for the father to ask one child to cut the cake and to establish the proportions, and then for the other to decide who gets each piece. In this scenario, both parties take part in the decision-making process, and they cannot argue its legitimacy. [10, p.23] Discussing the concept of justice in negotiations over global public goods, Cecilia Albin, professor at the Department of Peace and Conflict Research of Uppsala University, considers that what is interpreted as fair in a more narrow, regional context, can be interpreted as unjust from a global, more wide perspective, and the other way around. Reciprocity and mutual advantage represent different things to different parties. Also, even though justice and fairness should be taken into account, they are not the main objectives in negotiations. [11]

But how can the principles of fairness be illustrated in arranging and conducting the negotiations? Some of the solutions proposed by Albin are:

- having a broad and inclusive agenda that addresses issues of interest to all parties,
- facilitating all parties to be represented – which in many cases is not effortless because parties can be numerous -,
- the existence of clear and transparent rules,
- the attention to venue - which should be neutral and accessible - ,
- giving all parties a chance to participate actively and proportionally in the process and to have an effective voice - which comprises having access to relevant information -,
- the responsibility of each party to act in good faith and in accordance with the principle of fair play. [11, pp. 270-274] Fairness is also perceived differently depending on the cultural background of the negotiators. To support this affirmation, we can bring forwards the concept of norms, in the analysis offered by the social psychologist Harry Triandis. Norms represent what is considered to be a fair behavior by the members of a particular group. Let us suppose that two friends were compensated with 50 dollars for their work. In the USA, the norm of equity is considered to be very strong, so the solution would be for the money to be divided depending on the contribution of each of the two friends, without taking into consideration the relationship between them.

But, in more collectivist cultures, norms such as equality or necessity will probably be taken into account. The shepherds of Sardinia, for example, guide themselves by the norm of equality. Starting from this assumption, stealing animals from other shepherds will probably not generate feelings of guilt, as it is the divine desire that people are equal. In this case, there is certainly a discrepancy between traditional norms and the legislation of the state, but this does not make their culture inferior to others. [12, pp. 100-103]

However, in intercultural negotiations these principles are not easily applicable, as collectivists might not behave the same way outside the group as they do with in-group members. If they are not closely related to their counterparts, they might have a more individualistic behavior and use the principle of equity. [13, p. 757] Also, as we can notice in Hofstede's studies on cultural dimensions, instead of referring to cultures or to individuals as being individualistic or collectivist, a correct approach would be to talk about degrees of individualism and collectivism.

As previously mentioned, in a negotiation process, each party tries to obtain an advantage, but how fairness is perceived by the counterparts is important in finding the appropriate arguments to convince them, in establishing what can and cannot be negotiable.

Hence, in the following paragraphs we are going to discuss he notion of non-negotiable, who establishes what is negotiable or not, and on what grounds. One would logically presume that fundamental human rights should not be negotiable. However, in an article focusing on human rights, conflict transformation and peace building, Michelle Parlevliet attributes to human rights four different dimensions that should be taken into consideration when trying to deal with conflict resolution: human rights as rules, as structures and institutions, as relationships, and as a process. Parlevliet makes an interesting observation that "while fundamental human rights can be taken as absolute concepts that are non-negotiable, their application, interpretation and realization is not absolute". These types of rights set the parameters, but context dictates how specific rights are realized. [14, p. 22]

The notion of non-negotiable is also worthy of analysis in the context of EU negotiations, which are largely intergovernmental due to the involvement of supranational actors.

Some of the aspects that have been justifiably considered to be non-negotiable are independence [15], free-movement [16, 17], EU values [18], democratic values [19], data protection rights [20], the rule of law, freedom of the media [21], safety [22] or transparency [23].

However, let us keep in mind that we are currently living in a 2015 when the European Union is confronted with an unprecedented number of refugees and migrants coming to Europe across the Mediterranean Sea or Southeast Europe and applying for asylum. EU Heads of State or Government met on 23 September 2015 in Brussels to discuss and decide how to deal with the refugee crisis, and a unanimously agreed decision was not reached [24]. Concepts such as human rights, common responsibility, European values of freedom, on the one hand, and cultural identity, sovereignty and border control, on the other hand, have been brought into discussion. Finding a solution to this problem is nevertheless a challenge and the extent to which the negotiations take place is very high, involving EU countries and institutions, international organizations, civil society, local authorities and national partners outside the EU.

Hence, even though some aspects are considered to be non-negotiable, history has proven that context can make them interfere with others, perceived in a similar way. Having a clear position is essential in negotiations, as otherwise reaching an agreement would not be possible, but, nevertheless, one should be open to the counterpart's opposing position and to be prepared to offer strong arguments, as opposed to eliminating certain aspects from discussion and classifying them as non-negotiable.

CONCLUSIONS

To conclude, culture does influence the negotiation style, but culture is regional, national, institutional, supranational, etc., which makes it difficult to keep track of what cultural trait influences particular negotiation behaviors. As in a negotiation process conveying the proper message is equally as important as properly understanding and interpreting the message of your counterpart, being familiar with national or regional cultural traits could help in setting the context , but should not prevail, as it could lead to preconceptions and stereotypes.

Fairness and what is negotiable can also be perceived differently depending on the parties involved in the process and on the context, which makes an open-mined attitude vital in the negotiation process. As the importance of context is so high and tensions between global and national norms may occur, understanding the reasons behind the different positions taken at the negotiation table increases the chances for success. However, closing a negotiation is just the beginning, not the end. The events that follow are those to prove if the negotiation reached its purpose or not.

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