



Cultural differences and correspondent flexible strategies in business English negotiation

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Abstract

With the vigorous advocacy of “The Belt and Road” construction, the Sino-Western trade relations is increasingly close, the importance of business negotiations more and more prominent. In western countries, more and more people directly or indirectly indulge themselves into the field of business negotiations. This study takes the cross-cultural business negotiation as the cut-in point to research the cultural differences between different countries and further put forward correspondent flexible strategies so as to foster the harmonious business negotiation, as represented by the case of Geely acquisition of Volvo or rather, how negotiators in Geely can flexibly use negotiation strategies, overcome cultural differences and successfully acquire Volvo. For these differences, some flexible strategies are supposed to be adopted to deal with it, which alleviate the cultural conflicts. As a consequence, it not only improves the level of communication in China's international trade negotiations and improve trade turnover rate, but also promote mutual understanding of their own culture and develops friendly international business relationship.

Keywords: cultural conflict, flexible strategies, business English negotiation

1. Introduction

Since China joined the WTO, it has become one of the influential countries in the world. Thus, the economic cooperation between China and the west gets increasingly frequent. The business English negotiation is one of the significant parts of business activities. And, each type of cross-cultural business negotiation plays a vital role in the society, economy and life. A lack of understanding causes considerable culture conflicts, which affects the efficiency of business cooperation. With the rapid development of economic globalization, the ultimate goal of international business activities is to sign the contract between corporations. Thus, we need to conduct effective business negotiations so as to achieve satisfactory purposes. Or rather, whether the international business cooperation is successful or not is closely related to business negotiation. Therefore, the activities of cross-cultural business negotiation will not only become more and more frequent, but also more and more complex. Therefore, it is urgent for negotiators to exert every effort to probe into the existing problems and further facilitate the success of negotiation.

The current study is an example-based and theory-driven qualitative analysis. Documental method is applied in collecting researches in business negotiation. At the same time, cases of Geely acquisition of Volvo are illustrated so as to foster the resolution of negotiation conflicts.

The present study is expected to be beneficial and valuable for mutual understanding between the East and the West, and foster international business cooperation effectively. Such case as Geely acquisition of Volvo is illustrated in depth based on as following three aspects. Firstly, Geely is China's independent brand on behalf of the Chinese culture, however, Volvo is the car brand of Swiss that represent the Western culture. Secondly, China is the largest developing countries while Swiss is the developed countries, and they embody big gap of economic development. Finally, China has huge potential market attracting a good deal of foreign

businessmen to invest in. The thesis intends to provide flexible strategies to alleviate culture conflicts.

2. Contributing Factors for Cultural Differences

Business English negotiation is one of critical part of foreign trade. This chapter focuses on the contributing factors for cultural differences. Because economic and political determine culture, culture is the reflection of political and economy, and different nation has different political and economic. Author can draw a conclusion that the cultural differences put down to geographical environment, political system and economic system.

China's ancient civilization originated in the Yellow River and the Yangtze River. They make a living by hunting, gathering and planting that gradually form China's self-sufficient natural economy. Agricultural civilization created Chinese people to emphasis ethics. Therefore, they adhere the social principle of “harmony is precious” (Wang & Che 2008) [9].

Greek's ancient civilization originated in the Aegean Sea coast that belongs to the marine civilization. They make a living by fishing, hunting and planting. The knowledge updates faster and faster because the Europe like to explore. Western countries have entered the industrial economy era since the Industrial revolution took place. Therefore, People in the western world have a strong spirit of struggling for and safeguarding their own interests.

China is the continent country. It is easily to make a living by collecting and farming, gradually forming the characteristics of experience and closure. China is based on self-sufficient small-scale peasant economy. Because the ancient monarch pay highly attention to practice agricultural policy. Therefore, it shows that China's commodity economy was imprisoned in the beginning, especially in the Qing Dynasty, the Qing government to implement the policy of Cut Off Country from Outside to curb the seeds of commodity economy, to strengthen the development of

small-scale peasant economy, so China is the agricultural culture of the natural economy.

While the ancient Greece is the island state. There are independent residential areas to form cities and city states. There is no unified regime of governance, so that people have an independent political consciousness. At the same time, European earlier engaged in maritime trade, which the form of social and cultural is open. Although the Western countries experienced the slave society and feudal society, which the seed of capitalism early was appeared. With development of the commodity economy, the industry and commerce become independent sector, so that businessmen become an independent class. In the process of the pursuit of freedom and equality, European dare to break through the shackles of feudalism, calling for rationality and freedom, gradually form a constitutional monarchy and separation of three powers.

China locates in a closed continent that to a certain degree, limits people's creative thinking. They are good at summing up the previous experience and lessons, while space consciousness is weak. Consequently, Chinese are more likely to be content with the status quo, losing creativity, while most of Western countries lie in an open geographical environment, enabling them to develop industrial, commercial and marine industry. From ancient times to the present, the traditional culture of ancient Greece is centered on exploring the mysteries of nature. Therefore, Western nation's focus on spatial expansion and advocates hegemonism.

3. Cultural differences between china and western countries

It is a well-known fact that different cultural backgrounds have different values, thinking model, and view of benefit and ethic

3.1 The difference of value

Values are the deepest part of culture, which governs people's beliefs, attitudes and behavior. It is also the activity of people to think and adapt to the world around them, as a kind of spiritual dominating power, which is the ideology that has a wide and profound influence on human behavior. China has thousands of years' history that gradually forms a unique set of national value. In general, Confucianism advocates the spirit of altruism, favors harmony and the Confucian precepts, a wealthy and powerful China has historically been solitary. In contradistinction to Confucianism, Western countries, to a certain degree, emphasize personal value, individual will, personal dignity, personal freedom, personal feelings, personal rights and individual interests (Eiteman 1990) ^[2]. It is well acknowledged that egoism is the core value of culture. The whole society strongly advocates individualism, and it is not only to emphasize the realization of self-value, but also measure the value of life via personal success.

With the development of cross-cultural communication and business linkages, the links between the countries of the world are becoming more and more close. The Chinese believe that a harmonious environment is the condition of the negotiations. Harmony is considered a prerequisite for stability, and in business circles, as the proverb "Friendless is conducive to business success" embodies the truth. Therefore, the interpersonal relationship in Chinese culture is the obvious emotional type. The trend of international

business development is irresistible, the Chinese people at the beginning of the negotiations, always do everything possible to make a greeting, to create a good negotiation relationship. At the same time, China's economic integration with the world more and more closely, the atmosphere of foreign trade negotiations will become better. The Chinese think that as long as they can become friends, business is half done. This intercourse became frequent. The same is true of business dealings between China and the United States, and the amount of trade and emotional style are reflected in other ways. Because negotiators from two different cultural backgrounds have different values, the Chinese will pursue long-term friendly partnerships in order to avoid conflict.

Americans are influenced by individualism and parallel relationships, and they do not value harmonious relationships as much as the Chinese do (Hendon, Hendon, & Herbig 1996) ^[4]. At the beginning of the negotiations, the details related to the negotiations will be put forward and the subject is very commercialized. The same will not be as hard as the Chinese to establish or maintain relationships as much as possible to emphasize the overall role of future business.

3.2 The Difference of Thinking Model

In the process of cognition of the objective world, the language as carrier and the expression of culture are thinking mode, thinking characteristic and thinking style.

Oriental culture emphasizes detail thinking, curve thinking, dialectical thinking and subjective thinking (Chen 1993) ^[1].

Western culture focuses on abstract thinking, straight thinking, forming thinking and objective thinking. For example, in the process of business negotiations, Westerners often use sequential decision-making to 'talk about details first and avoid talking about principles. They think details are the essence of the problem, and take a fancy to details, without the limitation of the framework of the principle (Fisher & Brown 1988) ^[3]. The Chinese people adopting overall decision-making follow the principle of 'first principles, and then the details.

Language is the medium of information transmission, and is the tool for human communication. Language as a part of the etiquette, to a large extent, the process of business negotiation is essentially the process of negotiation and consensus-seeking by negotiators. There are still errors in understanding the content of speech in the same cultural background, so the comprehension error caused by different cultural backgrounds may be even greater. Because language is the carrier of culture, different languages have their own unique way of constructing information. Therefore, China's international business negotiators always implicitly and indirectly express their views, rarely directly rejected or refuted, and the harmony as a prerequisite for the realization of value. They try to avoid friction in negotiations, to be polite and reserved, to pursue permanent friendships and long-term cooperation. In contrast, the communication in Europe and the United States is a whisper, because the long migration and mutual integration of the process caused the difficulties of communication, the clarity and directness of language has become particularly important. Accordingly, the Americans at the International Business negotiation table are passionate, candid, eloquent, and like to express their intentions in precise and clear language, with little ambiguity and equivocation. This is the

formation of the Chinese people in the negotiations pay attention to the principle of first, while the Americans are the first to talk about the details.

In the first meeting of the negotiations, relatively speaking, the American style of negotiation is more informal, because American culture is a low power gap type culture. In the United States affected by the concept of equality, interpersonal relations are generally horizontal. Negotiators are business horizontal relationship, so they are informal, equal, very little attention to orthodox business etiquette, courtesy, seating and so on. They believe that casual communication can reflect their sincerity and credibility. But China is an authoritative country, in such an emphasis on the power distance of the country, they attach great importance of etiquette, form. Obviously, in the business negotiations, the etiquette of any negotiation object is closely related with his country, national cultural background, national custom, business custom and national character characteristic.

2.3 The Difference of View of Benefit and Benefit

The Oriental culture emphasizes collectivism, that is, the collective interest is above all and individual interests should subordinate to the social benefit while individualism occupies the core position of Western culture. The whole society strongly advocates individualism, the individual success measures its life value. In national business negotiations, Western countries pursue the value of egalitarian and adhere to the principle of fair and reasonable, no matter which side will be profitable in the transaction. Therefore, the western countries tend to use "double win" strategy to negotiate (James & O'Neil 2013) [6]. They basically can take the actual interests of both sides into account, while oriental people affected by the concept of a deeper and the seller tend to comply with the ire own needs. Following the rules of business, the formation of interpersonal relationships is primarily a matter of interest in Western society, while the relationship between human relations is very indifferent. Influenced by Confucian culture, Oriental culture pay more attention to the establishment of interpersonal network before negotiations. The value of life is the core element of ethical morality. In the ethical value concept design, the Happiness of dimension, theory pursuit the subject rights and interests and self-satisfaction in the western. China holds the dimension of merit wheel, which pursues 'the Shun (following) Providence'. The fame different nationality's personal value design different tendency affects the morals tendency. In the construction of the relationship of object, the West adopts the thinking mode of 'Separation of Heaven and Man 'that is a reaction to the reality of ancient Greece (James 2006) [5]. As Bultmann said: 'with an inner world of objectivity, Mythology endowed the reality of human nature of super-experience, which will cross the other side'. The myths reflect the outlook on life of Ancient Greeks that the human nature is creation and understanding, which cherish own values. They believed that the world is beautiful and happy. In the eyes of the ancient Greeks, people and God has emotions, as long as loving of life and perseverance, which will get a happy life. Therefore, Ancient Greece advocated heroes, which the spirit of Homer's epic has a typical heroism. However, China holds the dimension of Merit wheel that pursues 'Shun (following) Providence'. It is reflected that the thinking model of 'Harmony between

heaven and Man 'in the construction of the relationship between subject and object. In the narration of heroes, they emphasis is on the individual's merit and personal self-cultivation. Therefore, 'Ren' is the structural components of 'Tian' that depends on 'Tian'. It clearly shows that Chinese neglect human values. Them, in the construction of ethical value system, people are not the value category of "aim ", while is the value category of "means" or "tool

3. The Influence of Culture Differences on Negotiation

Different cultures may hold different purposes of business negotiations. For many American managers, the ultimate goals of negotiation are to reach a contract between both parties, Americans regard a signed contract as a definitive set of rights and duties that strictly binds two sides and determines their interaction. Most Spanish and French negotiators have also claimed that their primary goal in a negotiation is a signed contract. Chinese often think that the goal is to build business relationship between two sides in a negotiation. Although the written contract doesn't describe the relationship, the essence of the deal is the relationship itself.

Because of differences in culture and personality, people tend to approach deal-making with friendly cooperation. In the process of negotiation they hold two basic attitudes that both can gain (win/win) or one side wins and the other side loses (win/lose). The Win /win negotiators believed that deal-making is a collaborate and problem-solving process, not a cutthroat competition. With regard to this dichotomy, negotiation scholars have concluded that these approaches represented two basic paradigms of the negotiation process: the distributive bargaining (i.e. win/lose) and the integrative bargaining or problem-solving (i.e. win/win). In the former situation, the parties see their goals as incompatible, while in the latter they suppose they have compatible goals. The difference between a win-win outcome and compromise lies in the negotiator's focus (Robert, Neil, & Sarah 2014) [11]. If the negotiator focuses on his own team's outcome, he will ignore the other side's loss or gain. If he places teamwork above all, then mutual gain will be upheld.

Because different culture has different methods of communication. Some countries prefer to communicate with the other party in direct and simple way. Others favor indirect and complex methods. For instance, we find that Germans, Americans and the Spanish are direct, however, the French and the Chinese are indirect. Facial expressions, gestures and other kinds of body language are typical signs of nonverbal communication methods in such cases. However, American expect to receive a clear respond or pose some question in the agreement.

Cultural factors may affect the form of written agreement that both parties try to make. Generally speaking, a host of negotiators prefer specific agreements that can definite the rights and responsibilities of both parties.

However, U.S. negotiators prefer Standard Form contract t that make an attempt to predict all circumstances and eventualities. Due to the fact that "deal" is the essence of contract, and one must predict new situation that may occur in the future. As far as china is concerned, Chinese negotiators believe that the form of general principle is vital rather than detail rules in the contract. If unexpected circumstances arise, both parties should exert every effort to deal with the problem.

4. Flexible strategies in business English negotiation

Geely completed the acquisition of a full stake of the Volvo car Company in August 2, 2010. But it was not going well in the business negotiations that this merger has assembled Mr. Li's staff, material and financial resources for a gamble. At the same time, they have a very good performance in the negotiations that flexible use the strategy of business negotiation, finally persuaded the Ford and Mullaly. As follow, how Mr. Li flexibly uses the strategy of business negotiation to complete the biggest overseas mergers in the auto industry.

4.1 Formation of a Reasonable Negotiating Team

Since the situation of international business negotiation is complex and wide, it is very difficult for individual power to negotiate, then, we generally take the form of collective bargaining. Therefore, the composition of the negotiators is an organization. The formation of a reasonable negotiating team involves three aspects: the principle of the negotiation, the component and the division of labor (Watkins 2006) [10]. In general, the composition of the negotiating team is determined by the negotiation of the nature, object, content and objective. To acquire Volvo, Geely has organized a full-time operation team in merger case. For example, the former Huta Automotive president, Dong zhiyuan who has the rich experience of acquisition. Zhang Peng is BP's senior Advisor to finance and internal control and Shenhua is former president of the technology China Fiat Group Power. Because of differences in culture and personality, people tend to approach deal-making with friendly cooperation. In the process of negotiation they hold two basic attitudes that both

It is very necessary to collect useful negotiation information before negotiating with international business personnel, such as market information, information about counter party, scientific and technical information, relevant policies and regulations and financial aspects (Zhao 1996) [12]. Only in this way can we avoid entering the blind zone of negotiations, which makes the entire negotiation process deadlocked. Geely's have takeover Volvo's that well prepared before the Negotiations. Marili came up with the ideal of acquisition of Volvo in 2002 and began to research on Volvo as a target. He began to collect market information about the auto industry, when Marili set it goal. First of all, defining your situation and develop a sustainable path. The 'cost' is the biggest advantage of Geely, which focused on low-end market, but Mr. Li believes that it is not a sustainable development of road in the auto industry. Therefore, Geely wants to follow the example of Toyota's development. As such, it is expected to produce outstanding cars by developing their own technology, improving quality, and raising the level of management and sales service. The acquisition of Volvo is the part of strategic adjustment for Geely. Geely is difficult to take over the world's top car companies, Volvo in 2002. Therefore, Marili acquired the British Manganese Copper Company and the Australian DSI Transmission company in order to expand Geely's technology and improve brand strength. At the same time, Geely has launched Global Hawk to try to get rid of the low profit trap. Secondly, responding to national policies: China has adopted the strategy of opening up to the world. The State Council launched a ranges of the policy to encourage qualified enterprises to invest abroad and cross-border operations to settle in China, at the same time, paying more

attention to increase credit, insurance and foreign exchange. Therefore, many policies have equipped Geely to acquire Volvo companies. Finally, the 2008 financial crisis: The 2008 financial crisis exacerbated the loss of Volvo. In recent years, the car market has been shrinking and however the prospect of rebound is weak, under this an international environment, it is not necessary for Ford to take risk to takeover Volvo.

4.2 Elimination of Communication Barriers

People from different cultural backgrounds should seriously understand the difference between the culture of the other side and the culture of their own, thus showing the understanding and respect for other culture (Liu 2013) [8]. We must recognize that respecting each other's culture is respecting each other's individual. Because respecting each other's culture is the bridge of psychological communication between the two sides, with this cultural communication bridge, we can have a better understanding of each other's national character, behavior style, personality value orientation and customs. In order to respect each other from the true meaning, we can realize and capture the views of each other and the way of expression under the guidance of different cultural ideas, as far as possible to enhance their own cultural tolerance to the off-site, through negotiations to achieve sincere cooperation.

Any kind of culture is the product of the spirit of the times, it represents the theme thought of a nation in this time. Andre Laurent, a French cultural researcher, once pointed out: "We don't see our culture, and we always think that other cultures are like us because our culture is already integrated with us. When the behavior of people affected by other cultures is inconsistent with our behavior, we often show a feeling of surprise and even frustration." This shows that in our lives, we often live up to our own culture and use our own ideas to measure each other. They even impose their ideas on each other, which creates misunderstandings and contradictions in communication.

Because of different cultural backgrounds negotiators have different values, thinking model, ethics and benefit, which determine different methods of communication. The communication barriers may be encountered in the negotiation process. On the one hand, psychological communication barrier is that 'negotiation war is psychological war' which is a kind of social connection based on the psychological contact between negotiators. Therefore, confidence, sincerity and patience will, more or less, guarantee successful communication. On the other hand, Different countries have different negotiating style, for example, U.S. negotiators tend to pay attention to individualist values; German negotiators are strong-minded, and they emphasize right and duty; British negotiators are adept in arguing and having gentility in the negotiation: Chinese negotiators are circumbendibus in the communication so as to promote harmonious relationship. Of course, Geely has a great cultural gap with Volvo that is a hot potato, Geely should take some measures to alleviate cultural gap. Putting themselves in Volvo's shoes provide better development space. There is no deny that this is one of the most attractive conditions for Volvo.

4.3 Establishment of cross-cultural tolerance awareness

Each nation has its culture, world, outlook, values and modes of thinking. Therefore, negotiators should respect

each other's thinking patterns. Intercultural behavior does not mean simply adapting to each other, or copying the other's cultural forms and methods. But to put on each other's shoes and consider the problem, that is transposition thinking. In the national business negotiations, the economic interests should be taken into account primarily, there is no need to criticize the other party's cultural norms, or let the other side to evaluate their own values, because it is easy to trigger sharp contradictions. Ford is the only surviving American conglomerate in the financial crisis, that also has been battered. Whether Volvo can get out of the current predicament and create better performance in the future. However, Geely has a clear plan for Volvo's future development: Firstly, it is to reduce procurement costs by purchasing Volvo's position components in Chinese factories. Secondly, it is to expand the sales scale of the whole vehicle cost. There is no doubt that Chinese market has huge potential to achieve global market goals. Being able to fully understand the opponent's language and local traditions is important in doing business or negotiating with the local people. In economic and trade activities, some leaders have misunderstood with the negotiators. They believe that negotiators who negotiate with foreign countries can only speak fluent English, ignoring the practical use of language and not realizing that different cultures need to be improved. The degree of mastery of cultural background knowledge directly affects the ability of foreign-related negotiators to use English, which is the prerequisite for the proper use of language. Therefore, our foreign-related workers in addition to learning English language, but also to change the concept, strengthen cultural learning, and constantly improve their comprehensive cultural quality. Through a variety of business English comprehensive practice activities, grasp the good knowledge of English culture. In addition to exercise and improve the ability to negotiate in different cultural environment in order to achieve the intended purpose of negotiations. In the negotiations people should first talk about the details, instead of blindly talking about the principle, which will give the American businessman left a bad impression. With the increasing communication between transnational business negotiation, in the long-term international intercourse, due to the difference of Chinese and Western culture, the negotiation etiquette in the negotiation table shows a great difference. Therefore, to understand the differences between Chinese and western business etiquette negotiation style, change our concept of Western etiquette, which will help us find constructive channels of communication. It is also possible to identify the real causes a leads to misunderstanding or confrontation with one another, and to make effect use of some the strengths in negotiating style, to overcome certain weaknesses, to actively drive, slaves and to grasp the direction and progress of negotiations, which China' s negotiators should pay attention to.

5. Conclusion

The study deeply researches the cultural differences and flexible strategies in business English negotiation, analyzing the causes of cultural differences, the main expression of cultural differences, the impact of cultural differences on business negotiations, and uses the case of Geely acquisition of Volvo to analyze, how he can flexibly use negotiation strategies, overcoming cultural differences and successfully

acquiring Volvo. It is found that the influences of the culture differences are throughout the whole process of business English negotiation, also has come to realize the essential importance of flexible strategy to apply. It is not only effectively enhancing the communication level of business English negotiation and improve turnover rate, but also provide accurate and detailed solutions to engage in relevant business negotiating people.

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