

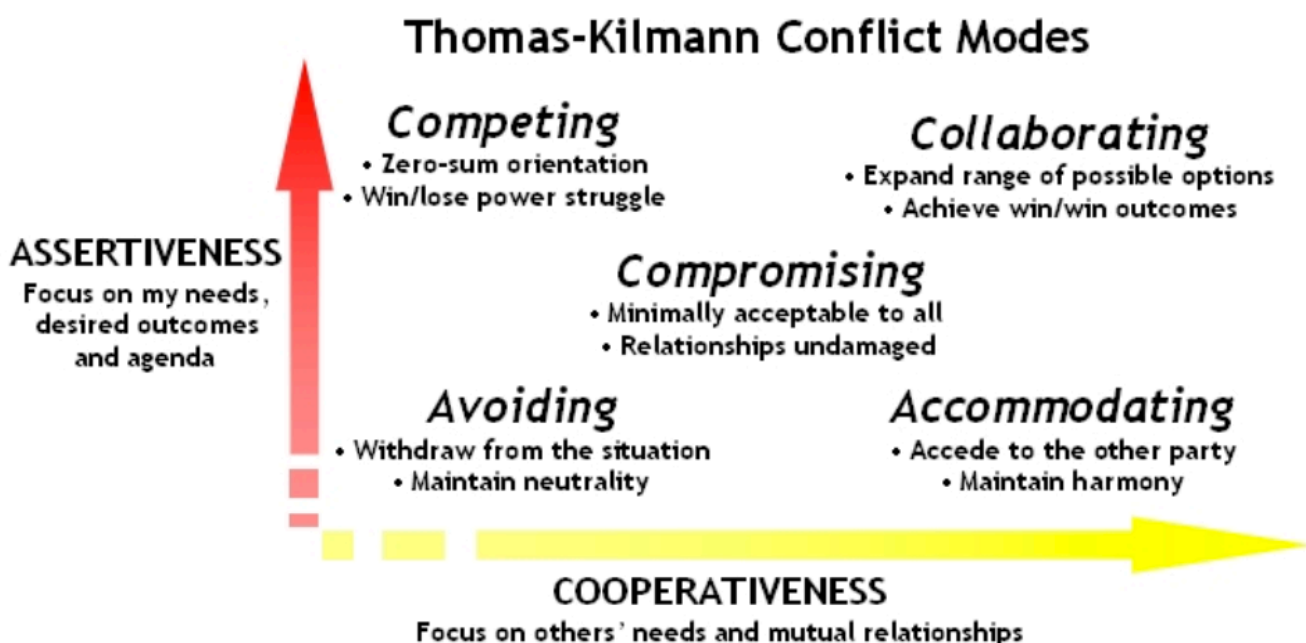
Lecture 5 – Cross-cultural Conflicts and negotiations (CH 7)

Conflict in cross-cultural negotiations

- Conflict = a state of disagreement or opposition between two parties, in which the accomplishment of one party's objectives neutralizes the other party's ability to achieve its desired outcome
- Sources of conflict
 - Language difficulties
 - Differing cultural norms
 - Decision-making methods
 - Propensity
 - Collectivistic cultures have mechanisms in place to avoid conflict e.g. Japan (avoidance style)
 - Individualistic cultures prefer conflict to be addressed openly and aggressively e.g. Americans (competitive style)

Conflict handling styles

- A model of conflict handling styles allows individuals to be placed in five categories on the assumption that there are 2 factors in a person's conflict style as defined below:
 - Assertiveness – the degree to which a person is concerned with his or her own interests
 - Cooperativeness – the degree to which a person is concerned with the interest of others
1. Competition
 - A style with which one prefers to deal head on with the conflict
 2. Avoidance
 - Entails avoiding as long as possible any disagreements
 3. Accommodation
 - Involves high concern with the interests of others, sometimes at the expense of one's own interests
 4. Compromise
 - Involves characteristically suggesting middle positions that involve both parties giving up something to reach an agreement
 5. Collaboration
 - Involves inventing new and creative options for dealing with conflict in which both parties 'win' (OR lose??)



- Low context cultures (e.g. Australia)
 - Conflict handled more directly, less personally
 - Negotiation more based on facts and logic
 - ‘Instrumental’ approach – logical in step approach?
- High context cultures (e.g. Middle East)
 - Conflict handled more ‘expressive’
 - Handled more indirectly and implicitly
 - No clear distinction between situation and person
 - Confrontation is insulting, causes loss of ‘face’ by all concerned

Types of negotiations

- Negotiation = a ‘give and take’ process / a communication process
 - Between 2 or more parties
 - Seek agreement
 - Each with their own aims, needs and viewpoints
 - Seeking common ground to settle matters of mutual concern or resolve conflict
- Types of negotiation:
 - Distributive negotiation – occurs when two parties with opposing goals compete over set value (win-lose)
 - Goal of buyer is to procure the item at the lowest price, getting more value for his/her money
 - Goal of seller is to collect as much as possible to maximize profits
 - Relationship is focused on the individual and based on a short term interaction
 - People involved are not friends
 - Integrative negotiation – involves cooperation between the two groups to integrate interests, create value, and invest in the agreement (win-win)
 - Win-win scenario – both groups work towards maximizing benefits for both sides and distributing those benefits
 - Long term

Table 7-7
Negotiation Types and Characteristics

Characteristic	Distributive Negotiations	Integrative Negotiations
Objective	Claim maximum value	Create and claim value
Motivation	Individual-selfish benefit	Group-cooperative benefit
Interests	Divergent	Overlapping
Relationship	Short term	Long term
Outcome	Win-lose	Win-win

Source: Adapted from Harvard Business Essentials: Negotiation (Boston: Harvard Business School Press, 2003), pp. 2-6.