How do Chinese businesspeople negotiate differently from American businesspeople?

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Abstract. This paper studies and summarizes the characteristics of business negotiation between China and the United States. The preceding two parts summarize the characteristics of Chinese and American businessmen's negotiation, which shows that Chinese people pay more attention to human relations when negotiating. In addition, it also demonstrates the negotiating advantage of the Americans: being more direct and clear about their goals. The last two parts of the paper focus on how the Chinese and Americans can improve their negotiating skills and the contrast between their approaches to negotiation. It highly summarizes the negotiation methods of the two countries, so that readers can have a clearer understanding of the differences between them. Different countries have different characteristics. During the negotiation, both parties need to respect each other's culture, conduct efficient exchanges, and make the negotiation smoot.

Keywords: China; America; Negotiation.

1. Introduction

In the context of globalization, more and more companies choose to expand their business to different countries to strive for the social benefits of being able to engage with other cultures and perspectives, therefore it is ineluctable that businesspeople from a different cultures to negotiate. China and America are the two countries with huge cultural gaps, with the influence of this impact, the countries have disparate negotiation techniques. Negotiating effectively with people from other cultures will not only guarantee success in the deal, but it will also benefit people to learn from other cultures' negotiation skills and improve on their techniques to achieve a better result in the next negotiation. Eventually, people will be more experienced to anticipate these differences and act in a way that supports a favorable outcome – maximizing opportunities for success and company profitability.

2. Skills that Chinese businesspeople use to negotiate

The article will give more details about the techniques and patterns that Chinese business people use to negotiate. This article will focus on the characteristics of Chinese business negotiation and analyze the advantages of Chinese business negotiation.

The characteristics of the Chinese negotiation style can be summarized into the following three types: relationship, timing, decision progress, and duplicity. The following article will explain the specific manifestation of the three characteristics and their impact on the negotiation.

Chinese businessmen care a lot about relationships. Relationships permeate all aspects of business and social interaction. Before the formal negotiations, Chinese businessmen build trust with each other. They will use social activities to improve communication and understanding. These activities usually include banquets, sightseeing, shopping, and so on. For example, giving and receiving gifts symbolize the beginning of a relationship. The gift should not be too expensive and always be

wrapped[1]. The gifting before the negotiation does not mean the negotiations can be completely smooth, but it can certainly express the willingness to deal in good faith with each other. Chinese businessmen care more about the relationship with the negotiating partner than the outcome of the negotiation, so they may have a series of entertainment activities. If businessmen meet like-minded people they will feel delighted and thankful which will more likely promote the success of the negotiation.

Chinese businessmen are not very sensitive to time. They are more likely to be unconventional but methodical. In business communication, the judgment of timing directly affects the transaction behavior. If the timing that they feel is not ripe, businessmen would rather wait than act hastily. Of course, this only means that the Chinese businessmen prefer to pursue a suitable time for a deal, not that the Chinese are not serious about the negotiations. For example, when they find themselves in a certain position of advantage in the negotiation, they will not continue to take risks in pursuit of higher profits, and they are more likely to accept the result but can ensure that they will not get lost. With the establishment and deepening of the market economy, Chinese people's sense of time is gradually strengthened, and work efficiency is constantly improving.

The decision-making structure is just like the relationships, the human element is always decisive. To some extent, the decision-making system of Chinese enterprises is relatively complicated, and there are many types of companies in the process of reform with great differences. The senior leaders of a business are often the decision-makers in the negotiations. Their participation will help clarify their obligations and facilitate the implementation of negotiated agreements. Generally speaking, the Chinese are very rigorous during and after negotiations. As the decision-making body, the senior and management staff of the business will decide the next plan after many meetings and discussions, and then they will start negotiations with the other party. Most of the time, the person in charge of the negotiation task only exists as one of the main directors, and they need to get the approval and permission of their superiors to advance every procedure.

Chinese people tend to say duplicity and not mean what they think. What they clearly say is A, but what they want to say is B, which is also not involved in western negotiation theories. When Chinese businessmen talk about business, many things are difficult to say for some reason, but for some purpose, they can only be expressed in another way. At the time of selling products, buyers usually adopt 'duplicity' to make the seller concessions, such as the appearance of the product image for you 'critical', after-sales service of products 'contrast with the others, and the mean purpose of these measures is forcing sellers to concessions.

In conclusion, Chinese businessmen may not use so many high-end negotiation skills and methods, but they can complete every negotiation with sincerity and a serious attitude. The negotiation characteristics of the Chinese people will continue to penetrate into the Chinese negotiation theory in the future and form the rules unique to Chinese business negotiation.

3. Techniques and patterns that American businesspeople use to negotiate

3.1 Negotiation habits and personalities of American negotiators

In today's world landscape, the United States is, without doubt, the world's dominant and best country in every way. The economy, in particular, relies on the irreplaceable position of the US dollar and the bustling commercial streets that have given birth to many of America's best negotiators. American negotiators are often very confident, thanks to their strong sense of pride and belonging to their country and nation, Many subcultures coexist, and even second and third-generation Americans are proud of their immigrant ancestors [2]. So they are also very proactive and outgoing at the negotiating table. They will also be eloquent at the negotiating table, sometimes even making jokes to liven things up, but this is not a sign or indication that they do not value negotiation. In addition, American culture at the same time also deeply influences this American negotiator, which undoubtedly gives them these characteristics, such as self-centeredness, interest first, and the pursuit of democracy and profit, but also will be reflected in the negotiation table. Americans are usually

self-centered and may not be very sensitive to the feelings of others at times. At the same time, they like to negotiate for tangible benefits. They usually seek real profit, so they prefer to spend their time and energy on negotiating for profit. One of the more characteristic features of the American negotiating table is that Americans like to argue to get the final word, rather than cover up the past in silence and get answers by arguing and protesting accordingly, regardless of status, everyone is equal and everyone has the right to express their ideas.

3.2 Negotiation techniques used by American negotiators

Each region has its own unique style of negotiation, thanks to regional cultural differences that result in a rich variety of negotiation styles and approaches, and in the United States, there are unique negotiation techniques of its own. Americans give priority to the results and negotiation results. In their values, the atmosphere and atmosphere of negotiation are important, which will make the two sides negotiate better, but they are more willing to spend time on negotiation. Moreover, they point out problems, raise problems, discuss problems and solve problems accurately and carefully. They even spend little time to know each other and understand him, unless they bring some information beneficial to themselves. In the eastern world, people pay more attention to interpersonal communication and social relations, and usually, a good relationship will be established. Secondly, in American negotiations, it is important to have a direct and clear dialogue that will directly affect the final outcome of the negotiation. Americans prefer that the other party can be honest with themselves and just say what they need or want, rather than having metaphorical and suggestive conversations that will only make the other party more distrustful of you. This is more like a straightforward basketball game with passionate confrontation, rather than a hidden game of tai chi, where you are able to move in and out. The other is Don't over-negotiate.At the negotiation table everyone is equal, and through the right way to get the other side of the favorable information and some of the other side of the bottom line, we can undoubtedly profit from it and occupy the upper points at the negotiating table, for example, in the purchase of parts in the negotiations between the two sides for the price and have been talking about inappropriate, a party knows the other side for the purchase of parts is very urgent, to buy immediately, but only this one under the time, no doubt can be from This psychology can be exploited to take the initiative. However, this should not be used to press extremely high prices, which will lead to the failure of negotiations, the other side will consider this a sign of disrespect, appropriate pressure is necessary, but not excessive use to break the balance between the two sides for the price. Always remember that the key to successful negotiation is never death, but a win-win situation.

4. Differences that Chinese and American businesspeople negotiate

We all know there are many ways to negotiate things, and living in one place might have a cultural influence on the negotiation table. So, what are some types of differences in manners and communications between China and America?

Let's start with the different language styles of negotiating, China likes to be indirect with their negotiation, and oftentimes people on the negotiation table have to guess what each other has to say. Some come with facial expressions and some are from the signs the person is given which makes the messages tend to be non-explicit. On the other hand, America likes to be more direct. Business people in America only use verbal communication which makes the message clear. A big part of negotiating in China is through relationships, you need to be socializing with the people you negotiate with to build up trust, most deals in China are done in a restaurant. There are also things considered appropriate in China that is expected on a negotiation table. Often there are gifts involved, and I am not talking about bribes. It is just very common for China due to the relationships are either well built between 2 sides or just starting to build them. Usually, the gifts are not very expensive, they could go as cheap as fruits up to some wines. Although there are gifts to avoid such as clocks and white flowers, clocks are usually meant for the elderly when their days are numbered, and white flowers are for

funerals in China with no exceptions. After eating the bill is almost never split, in fact, both parties are going to volunteer to pay to show respect, and they mean it. Business meetings in China also do not start with the business part right away, usually after some chit-chat, while Americans like to go straight to the topic.

On the other hand, Americans like to work in their own space, and prefer to socialize with their friends. Americans tend to focus more on the end results than the process which is the opposite of China.

There was a cultural difference in cross-questioning. Chinese people were taught to accept things without needing lots of questions asked, while Americans were taught that asking questions is encouraged. The interest focus is also different. China likes to take care of the group rather than the individual, friends are expected to help each other which is from the trust they built through socializing. However in America or western in general, the focus is more on personal gains and own compensation.

The preparation process is also different for Chinese and Americans. The Chinese like to do more research about opposing companies when preparing for a negotiation while Americans tend to do less.

Appropriate greetings are definitely very important for both countries, just one has more rules. Smiles and handshakes are definitely expected, but in China, if you negotiate with elders you also might need to consider a very slight bow from the shoulders.

5. How can Chinese and American businesspeople improve their negotiation skills?

Different cultures significantly affect the way that different people negotiate especially between Chinese and Americans with the huge cultural gaps. The techniques that they use all have strengths and weaknesses, therefore focusing on remedying these techniques can improve future negotiations and eventually maximize profit.

5.1 Increasing awareness of cultural differences

Jeswald W. Salacuse commented that international business deals not only cross borders, but also cross cultures. [3] – businesspeople are not only negotiating deals, it is also a negotiation between their cultures. Depending on different countries, people are born into their culture, therefore people's etiquette, the way they process negotiation, communication habits, etc are directly associated with their country's culture. It is essential to do comprehensive preparation before a negotiation; targeting cross-cultural negotiations, the understanding and research of cultures for different countries need to be increased on the original basis. By establishing awareness regarding cultural differences, negotiators can have adequate preparation for the other party's behavior to obtain advantages over competitors.

Pon Staff reviewed that on International Consumers' Day in China which is March 15, 2013, the nation’s largest state-run television network criticized Apple for giving iPhone customers in China a short warranty and for charging consumers to replace faulty back covers on iPhones [4]. Then, the CEO of Apple – Tim Cook released an open letter in Chinese and admitted his company's lack of communication and apologized in the letter - "We sincerely apologize for any concern or misunderstanding this has brought to the customers." The author then found other experiments, Professor William W. Maddux of INSEAD and his colleagues studied reactions to apologies in the United States and Japan. Results shown in collectivist cultures for example Japan and China, an apology can be an especially effective means of alleviating conflict in international negotiation. It is also found that compare to sheer financial compensation, carefully delivered apologies can restore dignity and trust even the relationship between the parties. Through this example, it can be concluded that by studying the other party’s culture, many unnecessary conflicts can be avoided.

5.2 Overcome language difficulties

The most obvious obstacle to International negotiation is the language barrier, especially between Chinese and English. In China, it is often concluded that people who use idioms and allusions can be shown as people who are more acknowledged, therefore more people will show them respect and are even more likely to cooperate with them. However, when doing cross-cultural negotiations, it is more likely that the negotiator from the other country cannot directly understand the languages, therefore when doing these negotiations, using phrases or difficult words would not be as beneficial. Conversely, using plain and straightforward language can communicate the point more effectively and minimize any misunderstanding. Communication is ineluctable in negotiations, through high-quality communication, firms and negotiators can maximize their potential and outcome, and even improve the relationship with the other party for future business deals.

In other cases where an interpreter is involved, the quality of the communication can be even more limited as it can affect the pace of the negotiation and create a barrier between the negotiators. Having a reliable interpreter is also vital as a mediocre interpreter can cause unintentional havoc on the international negotiation process. An example Pon Staff found that happened several years ago, An U.S negotiating team in China was astounded when a simple request to bring three typewriters into China was rejected by government officials on the other side of the table. After an hour of arguing, it become clear that the interpreter had mistranslated the English word "typewriter" as the Chinese word “stenographer” [5-8]. This illustrated that it is important to have a trustworthy interpreter who can act as an extension of the team to help overcome cultural challenges. If an interpreter is not reliable, it will cause more problems and cause the negotiation to be even harder to process [9-10].

Before the negotiation, doing plenty of preparation combined with valuable communication and cultural awareness can give the negotiators the ability to cope with temporary conditions and gain the other party's respect in a negotiation to eventually succeed in the deal.

6. Conclusion

In conclusion, with today's internationalized world, there will not only be competition between China and the United States, but also a lot of negotiation and negotiation in the face of different cultural differences and customary characteristics, mutual tolerance and coordination, and the search for ways of dialogue and negotiation. the Chinese care more about relationships and personal trust during a negotiation, focusing more on the process and being willing to spend time. On the other hand, Americans tend to focus on negotiation with specific results. The Chinese also like to give more sighs instead of being straightforward as America. Through better international relations and connections, there will be more chances of negotiations with different businesspeople. Each country's negotiation skills have its own strengths and weaknesses, adapting each other's strengths to keep on improving our own strategies will make us more successful and beneficial in future negotiations. While it is important to learn to master the unique skills of both sides and negotiate everything, it is also essential to understand each other's cultural differences and build bridges of trust.

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