The Success and Failure of International Business English Negotiation: Based on Hofstede's Cultural Dimension Perspective

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Abstract. With the increasingly frequent international economic and trade exchanges, the use of Business English in transnational exchanges has become more popular and valued. However, in international Business English negotiations, the differences in language expression under different cultural backgrounds have become a major obstacle in the negotiation process. Based on Hofstede's cultural dimension theory and through typical examples of Business English expressions, this paper explored how cross-cultural differences are reflected in negotiations, and has found that Hofstede's cultural dimension theory affects the success or failure of negotiations by influencing decision-making mechanisms, identity cognition, semantic understanding, risk perception, and goal pursuit of negotiation parties. Then further, giving corresponding suggestions of negotiation strategies, proposing an application framework of the whole process of international Business English negotiations in the cross-cultural context, aiming to help negotiation practitioners cope with cross-cultural conflict and achieve success in negotiations. At the end of the paper, the theoretical contributions and practical contributions are discussed, as well as the direction for future research.

Keywords: International Business English Negotiation; Hofstede's Cultural Dimension; Business English.

1. Introduction

The rapid advancement of globalization has made Business English an indispensable tool for breaking trade barriers and expediting the flow of transnational economic resources. This has attracted the attention of many business professionals and scholars. Therefore, International Business English Negotiation (IBEN), as a crucial aspect of Business English research, is gaining increasing significance.

Numerous studies have shown that language carries the game stance and emotional attitude of both parties when negotiate, and is one of the key factors which greatly affect the outcome of negotiations. In fact, IBEN has been developed into a course in many domestic higher vocational colleges and is combined with psychology and pedagogy (Wang & Hong, 2015; Kang, 2016). In addition, the discussion of international business negotiations (IBN) in the field of pragmatics has risen recently. Some scholars have conducted research on the relationship between language choice and party relationship, and some scholars have used Brown & Levinson's face theory to analyze the formation of negotiators' politeness strategies (Charles, 1996; Shen, 2006; Holmes & Schnurr, 2005).

Throughout the academic community at home and abroad, although IBEN has some research in curriculum development, pragmatics, however, culture, which is one of the most important factors in international communication, lacks due attention in this field. Among the root causes in the failure of international enterprises operations, institution, technological innovation, and environment accounted for 30%, while cultural differences accounted for 70%, which further highlights the dominant position of culture in the process of IBEN (Ai etc., 2017). The application of Business English needs more flexibility in different cultures. As a form of communication, IBEN is not only a game of economic interests or trade exchanges, but also a mutual adaptation and adaptation of cultures.

In general, although some scholars have paid attention to the impact of culture on Business English, this field still lacks more in-depth research (Liu, 2018; He, 2020). On the one hand, few scholars have studied the impact of cultural factors on IBEN; on the other hand, previous studies lack a holistic and systematic cultural model or theoretical support. Based on these gaps, this paper takes IBEN as the
research object, explains how the cultural differences of negotiators reflect and affect the success or failure of IBEN based on five aspects from Hofstede's cultural dimension theory, and finally gives the corresponding negotiation strategies and suggestions. Different from previous studies, this paper has set different discussion focuses for each cultural dimension, provided directions and suggestions for future research of Hofstede's cultural dimension theory in the field of IBEN.

2. Theoretical Background

2.1 Research of International Business English Negotiation

IBEN is developed based on the concept of IBN. IBN mainly refers to the process of negotiation on the transaction terms of a certain commodity between two or multiple parties who represent their respective interests and from different countries or regions (Ding, 2009; Zhao etc., 2013). As a globally recognized language tool, English is a necessary language skill for international business professionals. At present, the academia has not reached a consensus on the definition of IBEN. This concept in this paper refers to the business activities, with English as the main communication language, negotiated by representatives across different national boundaries or cultural backgrounds in order to reach a certain transaction.

At present, the research of IBEN mainly focuses on language use and English teaching, which is relatively limited. Within the realm of Business English for specific purposes, more attention is paid to the utilization of pragmatic strategies in different negotiation contexts (Xue, 2010; Yu, 2011). Within the realm of Business English for English teaching, some scholars think that IBN have a "cross-cultural" nature, so the cultivation of cross-cultural competence should be emphasized more (Liu, 2005). Reviewing related literature, we can see that many scholars are aware of the importance of cultural differences in the context of internationalization, but few scholars pay attention to the impact of this variable in IBEN. As an important factor of international business cooperation, culture affects the understanding and mastery of language expression differences in different cultural backgrounds, which in turn will affect the success or failure of IBEN. In today's increasingly frequent cross-border trade cooperation, the dilemma of lower cross-cultural competence among many international negotiators urgently needs more attention of scholars.

2.2 Cross-cultural and International Business English Negotiation

Cross-culture refers to the interaction among groups from two or more different cultural backgrounds, and is a concept that spans multiple factors such as geography, ethnicity, and language. In the context of cross-border communication, different cultural backgrounds and traditions may lead to differences in language, behavior, values, and other aspects. Therefore, cross-cultural competence is a very important quality that requires people to have relative cultural sensitivity, communication skills, and cultural adaptability.

In the field of Business English, many scholars have carried out in-depth research on the impact of cross-culture, which is mainly focused on three aspects: First, cross-cultural factors and Business English translation. For example, Liu & Wang (2010) analyzed the impact of cross-cultural factors on the accuracy of Business English translation. Second, pragmatic competence of Business English from a cross-cultural perspective. For example, Feng (2014) proposed teaching reform measures for Business English pragmatic competence. Third, cross-cultural awareness in Business English interpretation. For example, Cui & Zhao (2006) think that the quality of interpreters directly affects the smooth progress of trade negotiations and economic cooperation. However, as the most widely used language in the world, few scholars have paid attention to how cultural differences are reflected in English, and how it ultimately affects the success or failure of IBN.

In fact, IBEN is a process of achieving mutually agreed transaction goals through cross-cultural communication. It is self-evident that cross-culture plays an important role in Business English translation, but it is common that the phenomenon of significant economic losses was caused by language translation errors in IBN. In addition, the ability of negotiators from different cultural
backgrounds to identify semantics and express appropriately during the negotiation process will directly affect the success of the negotiation. Therefore, more attention should be paid to the influence of cross-culture in the process of IBEN.

3. Factors of Success and Failure in International Business English Negotiations from the Perspective of Hofstede's Cultural Dimension

In the 1980s, Dutch sociologist Hofstede proposed the Cultural Dimensions theory, which measures cultural differences among countries based on the results of a large-scale sampling survey of IBM multinational company employees' cultural values. The theory includes four dimensions: Power Distance, Individualism versus Collectivism, Masculinity versus Femininity, and Uncertainty Avoidance. Subsequently, Michael Harris Bond and Michael Minkov added two dimensions: Long-term versus Short-term Orientation and Indulgence versus Restraint, making the theory increasingly perfect.

From the perspective of research methods, Hofstede's greatest contribution lies in his groundbreaking proposal of an empirical research theoretical framework, supported by large-scale sampling survey data, providing a comparable "coordinate system" for measuring abstract challenges of cultural differences (Li, 2009; Song, 2014). From the perspective of theoretical application, the Hofstede’s cultural dimension theory has been widely recognized by the cross-cultural business community: It has reference value in quantitative evaluation of corporate culture (Guo etc., 2007). The application in the management and operation of multinational enterprises is typical (Ye & Liu, 2012); It has guiding significance in optimizing the incentive mechanism of cross-cultural enterprises (Gai & Kang, 2018).

At present, many scholars have applied this theory to the field of negotiation, but no relevant research has applied it to the field of IBEN (Qiu & Zhu, 2009; Wang, 2014). Therefore, based on the most classic and practical five dimensions of Hofstede's theory, this paper discusses how cultural differences affect the success or failure of IBEN to attract more scholars’ attention.

3.1 Power Distance

Hofstede uses power distance to indicate the degree of acceptance of unequal power distribution among vulnerable members in the organization. The higher the power distance is, the more rigorous and obvious the social and organizational stratification is. The difference in power distance can be reflected in the decision-making methods of enterprises. A survey on decision-making conflicts in Sino-US joint ventures shows that US managers think that Chinese managers overly rely on instructions from superiors, and have low work efficiency. Chinese managers, on the other hand, are dissatisfied with the individual and arbitrary decision-making style of the US side (Feng, 2005). In countries like China with a large power distance, the organizational structure of enterprises tends to be pyramid shaped and tends to adopt a top-down hierarchical decision-making approach. Western countries such as the US is in low power gap culture, their internal structures tend to be more flattened, with individuals will have more autonomy in decision-making (Xue, 2012).

This difference will affect decision-making methods and subsequently affect the process of IBEN. Firstly, in the context of low power distance culture, negotiators have strong autonomy and can flexibly adjust to the conditions of cooperation, while also hoping the other party will be same. At this point, if the other party hesitates and only dares to respond after the consent of superiors, it will be considered inefficient and insincere. Besides, in the context of a high power distance culture, negotiators will be more sincere of identity and status. If the other party does not appoint people with comparable status to negotiate, it will be misunderstood as disrespect for the other party, reducing the success of consensus between the two parties.
3.2 Individualism versus Collectivism

The dimension is used to measure whether people place greater emphasis on individual interests or collective interests in a society. Under individualistic values, individuals work hard for self-actualization and recognition, while those with collectivist values pursue performance improvement of their team receives rewards (Wagner & Moch, 1986). In a specific cultural environment, negotiators with different individual collectivist tendencies will have different identity cognition, which is the identification and perception of identity. People's identity cognition is a process of reflecting values (Liu, 2011).

To explain the difference, Hofstede listed two general behavioral norms of different cultures. For example, in collectivist culture, the orientation of self-identity usually is 'we', while individualistic culture tends to use the identity of 'I', as shown in Table 1 (Peng, 2004; Zhai & Li, 2010). It shows that one of the characteristics that distinguish these two value orientations is the high contextual tendency of collectivist culture and the low contextual tendency of individualistic culture are (Peng, 2004; Hall, 1976). High contextual tendency refers to the speaker not directly expressing their own meaning, but internalizing the information into the contextual environment at that time. While in low context communication, people rely on the use of language itself for communication (Tang & Zhang, 2005; Zhao & Zeng, 2009).

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<th>Collectivistic Society</th>
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<td>Thinking from the perspective of 'we'</td>
<td>Thinking from the perspective of 'I'</td>
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<td>Maintaining harmony and avoid disagreements</td>
<td>Honest people are always outspoken</td>
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<td>High context communication methods</td>
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Source: Compiled by the author

This difference is more obvious in the self-introduction in IBEN. Negotiators who are individuals centered introduce themselves as “I am an experienced legal advisor I am responsible for resolving the problem.” While collective centered negotiators tend to state “I am the legal advisor of DR company. We generously hope to reach a consensus with you.” Negotiators influenced by individualistic culture attach more importance in the manifestation of their self-worth in the team, centered around "I", highlighting individual abilities and contributions. On the contrary, under the context of collectivist culture, negotiators will emphasize the goals and needs of the entire team, centered around "we", and care more about the entire group’s interests beyond their own responsibilities.

3.3 Masculinity Versus Femininity

According to Hofstede’s theory, this dimension mainly looks at one society whether the distribution of emotional gender roles represents male temperament such as more fighting and competitive consciousness, or female temperament such as gentleness and caring for others. In IBN, members of masculine culture tend to solve the problem of profit distribution in cooperation through a competitive way, while members of feminine culture are more sensitive to the feelings of others and tend to maintain the cooperative relationship between both parties well. Therefore, unlike the straightforward negotiation style of members of masculine culture, members of feminine culture often do not refute conflicts directly, but express them in a subtle and tactful way when facing conflict.

For example, A: “We may consider offering the lowest prices for bulk quantities.” B: “What do you think of 1000 sets with 15% discount?” A: “Well, let me make it later.”

In this scenario, party B explicitly and directly uses "What do you think of" to propose a quotation that they can accept, hoping that the other party A will make the greatest concession. However, party A cares about the friendship between the two parties, so it did not directly reject party B, but used "make it later" to implicitly convey their unwillingness to make a compromise, and left room for
negotiation. The same sentence may have different semantic interpretations for negotiators with masculine and feminine culture backgrounds. If the negotiators do not have a prior understanding of each other's expression habits in different cultural backgrounds, it may lead to misunderstandings and conflicts which may lead to negotiation failure.

3.4 Uncertainty Avoidance

Uncertainty avoidance explains in one society the degree of panic that people feel about unknown events. A culture with a high degree of avoidance will establish formal rules to reduce or avoid risks, and cannot tolerate unconventional views and behaviors. While cultures with low avoidance levels are more tolerant towards uncertain things and are willing to accept new changes and challenges (Li, 2009; Qian, 2016).

This cultural background reminds us that when cooperating with countries with a high degree of uncertainty avoidance in economic and trade cooperation, they will be more sensitive to the use of uncertainty words, causing them to lose confidence in cooperation. Comparing “We will retain 20% deposit, and the rest will be due by next week” with “We will retain 20% deposit, and the rest may be due by next week”, the former expresses a clearer and more affirmative meaning, which creates more trust over the other party. The latter expresses significant uncertainty, which may easily cause suspicion, and weaken the confidence of the partners. In cultural contexts with different degrees of risk avoidance, ambiguous expressions can affect negotiators' estimation of risks, which in turn affects the success or failure of negotiations.

3.5 Long-term versus Short-term Orientation

This dimension refers to how the degree of members in one culture can accept a delay in meeting their material, emotional, and social needs. Long-term cultural oriented members of society tend to focus on the future and emphasize friendly cooperative relationships. Under the short-term orientation, special attention is paid to short-term benefits, and excessive goals, plans are not made for the future. Taking the Sino-French joint venture Guangzhou Peugeot Automobile Co., Ltd. (GPAC) as an example, the French personnel with short-term oriented culture have more obvious short-term behavior color, and their work mainly focuses on obtaining short-term windfall profits through exporting parts. Chinese personnel with a long-term cultural orientation hope to promote the development of the automotive industry. Due to differences in their work priorities and methods, the company had dissolved in 1997.

In cross-cultural business negotiations, the two parties come from different stakeholders, and the difference between long-term and short-term orientations can greatly affect the coordination and consistency of cooperation goals. Short-term oriented culturists view the success or failure of current negotiations importantly, paying attention to the benefits and losses of each step in the negotiation. They will limit time and ask for making decisions as soon as possible, and often use expressions like: “Our offer will be open only for 5 days”. Long-term oriented culturists, on the other hand, will make long-term commitments in negotiations to seek future cooperation. Therefore, their goal of negotiations is not limited to the present, and they will make similar statements like: “We hope that our handling of your first order will pay the way for a mutually beneficial business relationship.”

4. International Business English Negotiation Strategies in the Context of Cross-Culture

Based on above discussion, cultural differences significantly affect the success or failure of IBEN. This also reminds negotiators in specific practice to not only focus on communication of commercial interests, but also be aware of the background of international cultural differences. Therefore, this paper gives suggestions of IBEN strategies involving cross-cultural aspects in practice.

In power distance dimension, due to the strong autonomy of individuals in a low-power distance cultural, negotiators need to dynamically adapt to the other party's decision-making pace, respond to
the other party in a timely manner to demonstrate sincerity in cooperation. In the context of high-power distance culture, people value official titles and authority, which requires negotiators to consider the other party's status in the organization and reflect differences in addressing different people to show respect and friendliness.

In individualism versus collectivism dimension, for individualistic value-oriented individuals, they will be more concerned about their own interests and abilities, and negotiators can provide positive feedback to them through timely praise or affirmation, helping them gain a sense of self-worth identification. For collectivist value-oriented individuals who consider the reputation and achievements of the entire group, negotiators can use more collective words, which helps them find a sense of belonging during negotiations, creating a positive and pleasant negotiation atmosphere.

In masculinity versus femininity dimension, members of a masculine society tend to point out the other party's shortcomings directly, while members of a feminine society tend to use roundabout and tactful expressions, which may lead to significant differences in semantic and contextual understanding. Therefore, negotiators need to empathize and speculate on the other party's use of language, and continuously follow whether both parties have reached a consensus on a certain content during the negotiation process.

In uncertainty avoidance dimension, in the culture of low uncertainty avoidance, people tend to be more aggressive in taking risks. When negotiating with them, negotiators need to constantly remind them of the risks and responsibilities they need to bear in the cooperation to ensure corresponding protection in the future. In the culture of high uncertainty avoidance, as people are sensitive to potential risks, negotiators should try to evaluate risks through accurate data and scientific references to avoid expressing uncertainty.

In long-term versus short-term orientation dimension, due to the pursuit of future returns by people with a long-term oriented culture, negotiators can express themselves more by releasing long-term information, such as future cooperation plans, rather than limited to specific negotiation items. People with a short-term oriented culture focus on immediate interests, while negotiators need to use vocabulary related to key interests such as product quality and delivery dates.

5. Discussion

This paper introduces Hofstede's cultural dimension theory into the research field of IBEN, detailingly discusses the impact of culture on IBEN. In terms of theoretical contributions, firstly, the research on IBEN lacks due importance attached to cross-cultural communication, which is an extremely important variable in Business English. This paper conducts research on this issue in order to arouse more scholars' attention to cross-cultural factors in IBEN. Secondly, although many literatures have discussed the impact of culture on Business English, few scholars have made in-depth discussions on the path mechanism. This article proposes five intermediate mechanisms based on five different cultural dimensions, in order to fill the shortcomings of existing relevant research, which are: The power distance dimension affects the efficiency of negotiations by influencing decision-making mechanisms. The individualism-collectivism dimension affects the contextual tendencies of negotiators by influencing identity cognition. The masculinity-femininity dimension affects the communication effectiveness of negotiations by influencing negotiators' understanding of semantics. The uncertainty avoidance dimension affects negotiators' risk perception and subsequently their cooperation intention. The long-term short-term orientation dimension affects the interest game in negotiations by influencing whether the negotiation relationship is friendly or not.

In terms of concrete practice, combined with IBEN strategies in the context of the above cultural differences, we propose a framework for the whole process of cross-cultural Business English negotiation: first, negotiators should understand the cultural background of the other party before negotiation, presuppose potential cultural conflict that may occur during negotiation, and prepare corresponding solutions. Secondly, during the negotiation process, attention should be paid to empathizing and interpreting the context and semantics from the perspective of the other party's
cultural background to understand their true intentions. Finally, after the negotiation is completed, continuously track whether the negotiation results are consistent with the consensus reached by all parties and if there is a misunderstanding deviation due to cultural differences, it should be corrected promptly.

This article also has some limitations. First, based on the experience of previous scholars and negotiation practitioners, this paper theoretically describes the impact of different cultural backgrounds on the success and failure of IBEN. However, there is no relevant data to prove its universality. Future research can use empirical methods to further verify it. Second, we choose Hofstede’s theory, which cannot effectively summarize all cultural differences. The research perspective is relatively limited, and future research can use multiple cultural dimension models to comprehensively study and enrich research perspectives. Finally, this theory illustrates an overall value orientation within a culture, which can only be used to measure the cultural values of typical members of a country rather than individual characteristics. Therefore, this study lacks consideration at the individual level, and future research can further explore it.

6. Conclusion

This study believes that cultural differences will greatly affect the success and failure of IBEN. Based on the Hofstede cultural dimension, we propose five paths of how cross-cultural background affect IBEN, as well as the framework for the whole process of cross-cultural Business English negotiation. Given that research in this field is not yet in-depth, this article hopes to attract academic attention to this aspect and apply theory more to specific negotiation practices to help practitioners achieve success in negotiations.

References


