

# Intercultural Negotiations in Global Business: A Contemporary and Comprehensive Literature Review

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## ABSTRACT

The world has globalized much more than ever before and businessmen from different geographies do business with each other. Globalization refers to ongoing integration and interconnectedness of the global affairs as well as declining trade barriers. The more the trade barriers decrease, the more the world is globalized and businessmen from different nations and cultures do business. The aim of this article is to analyze the global business negotiations with respect to a cultural framework and propose a negotiation process to do and finalize global negotiations resting on credible international publications. Moreover, the aim of this article is to reflect an overview of global business negotiations based on cultural context and present an overview of it.

## KEYWORDS

Agreement, Communication, Culture, Global Business, International Business, Negotiation, Process

## INTRODUCTION

The issue of negotiation defines the process of discussion by which two or more parties aimed at attaining a mutually acceptable agreement. 21<sup>st</sup> century is the age of multicultural developments and globalization. Trade barriers are declining and businessmen from various geographies communicate and conduct business across the world. Yet, not all of the parties to business deals are from the same culture. Culture is the collective programming of the mindsets of a group of people. Culture is also an identity that differentiates a group of people from other groups regarding customs, values, characteristics, manners, communication styles and religion. Yet, the purpose of this study is to make a review of global business negotiations within a cross-cultural framework and propose a model to conduct global business negotiations. Furthermore, the fundamental aim of this paper is to present an overview of the literature review based on comprehensive international resources. The methodology is to comprise the overview of global business negotiations from various international sources and give a presentation of them with a comprehensive review.

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## CROSS-CULTURAL ISSUES AND NEGOTIATIONS

The world has been globalized much more than ever before and culture is a globalizing phenomenon. Globalization is the convergence and interconnectedness of national economies, politics, business and culture as well as declining trade barriers before international trade. As a matter of fact, resting on the definition made above, cultures in the world globalize along with economics, business, politics and commerce. With the improvement of the business relations, cultures are interrelated, and negotiation has become a permanent activity. Culture is the identity of a group of people which is made up of values, manners, customs, language, living styles and religion. Culture is learned, developed and transformed from one generation to the next. Therefore, culture is not static. It is dynamic. Moreover, business negotiations and negotiation styles differ according to culture and evolve in the globalized world. Negotiation is a pure human activity which is intended to settle down subjects or solve conflicts through dialogue. The issue of negotiation has long been regarded as an art dedicated to diplomacy. However, today, it is possible to negotiate across cultures on business, economics, commerce and politics. Culture has been always respected as an ambiguous concept which is difficult to define or at least there is no real agreement from all the different approaches and disciplines correlated along with this concept (Alovoine, 2005; Tinsley et al., 1999; Fox, 2006).

Culture is a defining feature of global business. One can regard it as what remains when that which has been learned is wholly elapsed. This simple, yet firm respect indicates one fundamental aspect of culture, the fact that, people are unaware of the impacts what they have learnt on their behavior. Nonetheless, one comprehensive definition of culture is that it is a set of shared and sustaining meanings, values and beliefs which define national, ethnic or other groups and focus their behavior. Therefore, culture could be comprehended as a set of unconscious solutions in order to act or to make decision, it functions as a facilitator for decision making. Culture is also a connection between a person and a group of people which leads to the aspects of sharing and transmitting commonalities. Culture involves subcultures such as ethnic culture, professional culture, associations, domestic or regional differences. Each new situation in life is an addition to culture. Thus, culture is dynamic and it is not static. There is a mutual and sustained interaction among culture, individuals and groups. Some people judge the worldly affairs by their own set of standards and other do not. However, it is very important to regard the affairs surrounding us from the lenses of others in order to comprehend the nature of life much better. This is true for global business affairs in which there are many cultures. If one judges the worldly affairs by its own set of standards, this is called ethnocentrism. In the ethnocentric tendency, one believes that its own culture is superior to all other and it is universal. This tendency regards the affairs from one respect and miss other realities. In a polycentric point of view, one tries to respect the worldly affairs by means of other ones' lenses and try to understand the nature of life with local point of view. Yet, in a geocentric orientation, one tries to consolidate local culture with other cultures and attempts to harmonize them with multi point of view. With respect to global business and international business negotiations it is much more beneficial to regard the situation from a global stand point and discard self-reference criterion in the sake of thinking oneself in the shoes of other. This in other terms thinking both globally and locally but acting appropriately in reconciling cultural issues in social life, business, economics and politics (Alovoine, 2005; Lewicki et al., 2003, pp. 341-350; Tinsley et al., 1999; Fox, 2006).

Negotiation is an integrated strategy. It is a unified set of behaviors chosen since they are considered to be the ways of achieving the target of negotiation. All the negotiators possess interests, strategies and priorities. These interests, strategies and priorities are impacted by culture. Culture is a sui generis trait of a group of people, involving the values and norms shared by the individuals in the group. The characteristics of culture which are unique to a social group of people affect the way of living, economics, politics and related other institutions. The cultural traits lead the attention of the negotiator to the issues which are more significant as well as affect the interests and priorities of the negotiator. Cultural values, manners and norms identify the behaviors which are favorable and

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