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THE ROLE AND THE SIGNIFICANCE OF CROSS-CULTURAL COMMUNICATION IN BUSINESS TODAY*

It's no secret that today's workplace is rapidly becoming vast, as the business environment expand to include various peographic locations and span numerous cultures. What can be difficult, however, is understanding how to communicate effectively with individuals who speak another language, or who rely on different means to reach goal. The study of cross-cultural communication is central to both theoretical and applied linguistics. Examining the causes of misunderstandings in cross-cultural communication sets in relief the processes that underlie all communication but often go unnoticed when it proceeds successfully. Thus discourse analysts find cross-cultural communication a useful research site, apart from any real-world interest in cross-cultural relations. In fact, however, most discourse analysts have a genuine concern with real-world issues, and cross-cultural communication is crucial to nearly all public and private human encounters. At the most global level everything in political and economic life depends upon negotiations among representatives of governments with different cultural assumptions and ways of communicating. Moreover, in order to accomplish any public or private goals, people have to talk to each other, and in more and more cases, the people communicating come from more or less different cultural backgrounds¹.

Cultural aspect is a major element of international business negotiations. It is often compared to an iceberg; there is more to it than meets the eye. These hidden elements, if not understood, can make or break an international business transaction. The increasing independence between nations, businesses and people has brought the importance of national cultures to the forefront. Culture is defined as the socially transmitted behavior patterns, norms, beliefs and values of given community. Culture greatly influences how individuals think, communicate and behave. Thus it has a great influence on some aspects of negotiation. It is important to note that culture and nationality are not always the same.

Knowledge is the key to effective cross-cultural communication. First, it is essential that people understand the potential problems of cross-cultural communication, and make a conscious effort to overcome these problems. Second, it is important to assume that one's efforts will not always be successful, and adjust one's behavior appropriately.

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¹ Cross-Cultural Communication, Deborah Tonnen, *HANDBOOK OF DISCOURSE ANALYSIS*, Vol. 4 Copyright, 1985 by Academic Press London. *Discourse Analysis In Society*, 1985; <http://faculty.georgetown.edu/>

One should always assume that there is a significant possibility that cultural differences are causing communication problems, and be willing to be patient and forgiving, rather than hostile and aggressive, if problems develop, for example. Not jumping to the conclusion that you know what is being thought and said, one should respond slowly and carefully in cross-cultural exchanges.

To stop, listen, and think, or as he puts it "go to the balcony" when the situation gets tense is William Ury's suggestion for heated conflicts. By this he means withdraw from the situation, step back, and reflect on what is going on before you act. This helps in cross cultural communication as well. When things seem to be going badly, stop or slow down and think². Is it possible I misinterpreted what they said, or they misinterpreted me? Often misinterpretation is the source of the problem. What could be going on here?

Active listening can sometimes be used to check this out—by repeating what one thinks he or she heard, one can confirm that one understands the communication accurately. However, even active listening can overlook misunderstandings if words are used differently between languages or cultural groups.

Often intermediaries who are familiar with both cultures can be helpful in cross-cultural communication situations. They can translate both the substance and the manner of what is said. They can tone down strong statements that would be considered appropriate in one culture but not in another, before they are given to people from a culture that does not talk together in such a strong way, for instance. They can also adjust the timing of what is said and done. Some cultures move quickly to the point; others talk about other things long enough to establish rapport or a relationship with the other person. The group that needs a "warm up" first will feel uncomfortable if discussion on the primary topic begins too soon. A mediator or intermediary who understands this can make appropriate procedural adjustments and explain the problem.

Yet sometimes intermediaries can make communication even more difficult. This gives the appearance of bias, even when none exists if a mediator is the same culture or nationality as one of the disputants, but not the other. It is common for mediators to be more supportive or more understanding of the person who is of his or her own culture, simply because they understand them better even when bias is not intended. Yet when the mediator is of a third cultural group, the potential for cross-cultural misunderstandings increases further. As is extra time for confirming and re-confirming understandings at every step in the dialogue or negotiating process, in this case engaging in extra discussions about the process and the manner of carrying out the discussions is appropriate.

Salacuse describes six distinctive features of international business negotiations. He begins by pointing out two mistaken assumptions about doing business in an international setting. Many economic commentators assume that international business

² Conflict Research Consortium, University of Colorado, USA, Cross-Cultural Communication Strategies, www.colorado.edu.

deals will happen naturally if only the correct governmental policies and structures are in place. Corporate leaders assume that they can simply extend their successful domestic strategies to the international setting³.

Both of these assumptions are mistaken. Policies alone do not create business deals; companies do. In order to make successful deals business executives will need to be much better educated about international negotiating. International business negotiations require a different set of skills and knowledge, and are fundamentally different from domestic negotiations (here we deal with external and internal negotiations). "Domestic business dealings probably have about the same relationship to international business as domestic politics do to international diplomacy" Salacuse explains⁴.

Which as a set distinguish international business negotiations from domestic negotiations, Salacuse identifies six elements which are common to all international business negotiations.

1. The first is that in international negotiations the parties must deal with the laws, policies and political authorities of more than one nation. In the case of business negotiations we have got negotiating sides in the face of transnational corporations, international-financial organizations, national none governmental organizations-short for: NGOs and a range of multifarious associations, companies and firms. So the above mentioned sides are considered to be key actors in diplomatic dialogues and talks in its different aspects. They are considered to be state and none-state actors working together and assisting each others. Here we can bring forth a brilliant example of how the USA made Saudi Arabia to buy America's 'Boeings' instead of the European 'Airbuses', it was a semi-political and semi-business negotiation on the phone, in the aftermath of which that Middle Eastern country (Saudi Arabia) began to use the American airplanes⁵.

Laws and policies may be inconsistent, or even directly opposed. International business agreements must include measures to address these differences. Such measures typically include arbitration clauses, specification of the governing laws, and tax havens. In the early 1980s U.S. companies operating in Europe were caught between the American prohibition on sales to the Soviets for their Trans-Siberian pipeline, and European nations' demands that these companies abide by their supply contracts, for example.

2. A second factor unique to international business is the presence of different currencies. Different currencies give rise to two problems. The actual value of the prices or payments set by contract may vary, and result in unexpected losses or gains since the relative value of different currencies varies over time. That each government generally seeks to control the flow of domestic and foreign currencies across their national boundaries is another problem. And so business deals will often depend upon the

³ *A Beginner's Guide to International Business Negotiations*, 1988, www.beyondintractability.org.

⁴ *Unlikely Interplay*, www.beyondintractability.org.

⁵ Зонина Т. Современная модель дипломатии: истоки становления и перспективы развития. стр. 174-175.

willingness of governments to make currency available. Unexpected changes can have dramatic effects on international business deals in such governmental currency policies⁶.

3. The participation of governmental authorities is the third element common to international business negotiations. Governments often play a much larger role in foreign business than Americans are accustomed to. The presence of often extensive government bureaucracies can make international negotiation processes more rigid than is usual in the American private sector. Sovereign immunity can introduce legal complications into contracts. State-controlled businesses may have different goals from private companies. State entities may be willing to sacrifice some profitability for social or political ends such as greater employment whereas private firms are usually primarily concerned with profits.

4. International ventures are vulnerable to sudden and drastic changes in their circumstances. Events such as war or revolution, changes in government, or currency devaluation have an impact on international businesses which is much greater than the impact that the usual domestic changes have on national businesses. These risks "require that international business negotiator to have a breadth of knowledge and social insight that would not ordinarily be necessary in negotiating a U.S. business arrangement." By employing political risk analysts, by foreign investment insurance, and by force majeure clauses which allow for contract cancellation under certain conditions international businesses try to protect against these risks.

5. International business negotiators (corporation, business, national NGOs "diplomats" and "negotiators")⁷ also encounter very different ideologies (Realism, Idealism, Liberalism and so on). Different countries may have very different ideas about private investment, profit and individual rights, in particular. Effective negotiators will be aware of ideological differences. They will present their proposals in ways that are ideologically acceptable to the other party, or that are at least ideologically neutral.

6. In the long run, cultural differences are an important factor in international negotiations. Different cultures have distinctive and simultaneously similar values, perceptions and philosophies in addition to language differences. Certain ideas may have very different connotations in different cultures as a result. For instance, Americans and Japanese tend to have a different view of the purpose of negotiations. Americans see the goal of negotiations as to produce a binding contract which creates specific rights and obligations. Japanese see the end (i.e. the goal) of negotiations as to create a relationship between the two parties; the written contract is simply an expression of that relationship. What the Japanese see as a reasonable willingness to modify a contract to reflect changes in the parties relationship, Americans see as a tendency to renege. By the Japanese, American insistence on adherence to the original terms of the contract may be perceived as distrust.

⁶ Grow Globally, *Opportunities for your middle-market company around the world*, Mona Pearl Chapter 5, *Sound International Negotiations, Unlocking the Secrets of Success Across Borders*.

⁷ Saner R., Yiu L. *International economic diplomacy: Mutations in post-modern times*, pp. 12-14.

While others prefer to address each issue individually, some cultures prefer to start from agreement on general principles. Some cultures prefer to negotiate by "building up" from an initial minimum proposal; other prefer to "build-down" from a more comprehensive opening proposal. Cultural differences also show up in the preferred pacing of negotiations and in decision-making styles. However, Salacuse cautions, that individual negotiators do not always conform to cultural stereotypes⁸.

In the conclusion we can say, that the demography and cultural attitudes of the U.S. population are changing. Current statistical research shows that one out of four Americans is of Hispanic origins or a person of color. They would constitute the majority of the American population by the middle of the 21st century. The "melting pot"⁹ concept never became the reality. Many groups prefer to maintain their traditions and beliefs and resist assimilation into Eurocentric or Anglo culture, currently. Those demographic and perceptual changes create the necessity for governmental agencies to develop better understanding of cultural differences and conflicts promoted by them.

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___ Ամփոփում ___

___ Ն. Հայրապետյան ___

Հոդվածում քննության են առնվում արդի գործարար աշխարհում միջմշակութային հաղորդակցության դերը և եշանակությունը, ինչպես նաև մշակութային ունեցած ազդեցությունը միջազգային գործարար բանակցությունների վրա: Հոդվածում ընդգծվում են միջմշակութային կապերի տեսական կարևորությունը և գործնական հարաբերություններում միջմշակութային շփումների ժամանակ առաջացող խնդիրները, ներկայացվում են նաև միջազգային գործարար բանակցությունները տվյալ ոլորտի ներպետական բանակցություններից տարբերակող հիմնական հատկանիշները:

Տեղեկություններ հեղինակի մասին

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⁸ A Beginner's Guide to International Business Negotiations, 1988, www.beyondintractability.org.

⁹ An Encyclopedia Britannica Company, Merriam-Webster Dictionary, www.merriam-webster.com: 1. a place (such as a city or country) where different types of people live together and gradually create one community; 2. a process of blending that often results in invigoration or novelty.