

ISSC 2016 : International Soft Science Conference

Cross-cultural Communication Model in International Business

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Abstract

<http://dx.doi.org/10.15405/epsbs.2016.08.30>

The importance of cross-cultural communication in international business negotiations has been extensively investigated for many years due to global business environments. Many scholars believe the influence of culture on international business negotiation has contributed to negotiation outcome. This article offers critical insight into the theoretical link of cultural dimensions of culture for international business negotiators. The proposed model provided in this study helps international business practitioners to identify effective communicative behaviour in business negotiations.

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Keywords: cross-cultural communication; cultural norms; interdependent self-construal; interaction goals; international business negotiation outcome.

1. Introduction

Cross-cultural communication is important as it explains how people from different cultural background communicate either in similar or different ways. Despite the extensive studies cross-cultural communication within management and communication literature, the validity and cultural limitation have been criticized (Tung & Verbeke, 2010). This is because the applicability of previous studies failed to recognize a critical role in differentiating human orientation toward in-group members from human orientation toward out-group members (House et al., 1999; Schloesser, Frese, Heintze et al., 2013) which explains how human relationships are viewed, valued and maintained varies from one

culture to another. Thus, at least three situations explains why the need to have an inclusive cross-cultural communication model that identified as essential step to understand cross-cultural communication especially in international business negotiation. First, in previous Global Leadership and Organizational Behavior Effectiveness (GLOBE) studies have linked GLOBE cultural dimensions with organizational styles and business leadership (Kennedy, 2002; Phillipsen & Littrell, 2011). However, the GLOBE model in cross-cultural communication yet to recognized the collectivistic cultural norms that will be able to predict the differences of values and norms. This is because cultural practice and norms are interpreted differently even within collectivistic cultural norms (Shi & Wang, 2010; Venaik & Brewer, 2010). Therefore, a model that stresses the cultural norms that predict the cultural behavior of collectivistic culture are needed. Second, the interdependent self-construal is important to be examined in cross-cultural communication because it explains culture, self and collectivist communication by linking culture to individual behavior. Previous studies indicated that independence self-construal which emphasizes individual goals (Markus & Kitayama, 2010; Gelfand, Major, Raver, Nishii & O'Brien, 2007), however argued that priority should be given on how to connect self-construal with relationship, especially in understanding the differences for intergroup relations, business and peaceful coexistence in diverse and interconnected world. Finally, within cross-cultural communication interaction goals which are instrumental goals, relational goals and identity goals (Wilson & Putnam, 1990) that emerge from interaction during cross-cultural negotiation and how conflicting goals shape communicative behavior. A study by Liu and Wilson (2011) indicates that conflicting interaction goals shapes interaction tactics and outcome. The link between goals and negotiation outcomes is more complicated when identity of the counterpart is concerned (Liu & Wilson, 2011). Therefore, this article will address the negotiators' interaction goals and how they predict negotiation outcome.

2. Objective

This paper aims to provide a proposition model that identifies the impact of cross-cultural communication in international business negotiations. Specifically, the aim of the article is to answer the following question: What are the underlining mechanisms of the relationship between cultural dimensions and interaction goals? By answering this question, it will enable us to understand towards advancing the current knowledge of cross-cultural communication in especially in negotiation within collectivistic cultural context.

3. Review of Literature

3.1 GLOBE Theoretical Model

Culture and negotiation studies had been conducted for many years as scholars noticed that globalization has an impact on domestic business (Lee, Yang & Graham, 2005; Hurns, 2007; Sarkar, 2010; Bulow & Kumar, 2011; Jiang, 2013). In explaining the relationship of dimensions of culture and cross-cultural communication in international business negotiations key concepts, the GLOBE theoretical model proposed by House et al. (2002) discussed that the relationship of dimensions of culture and cross-cultural communication serves as a wide range of explanations and predictions

towards the differences in communication styles (Oetzel, 2001) and interaction goals (Liu & Wilson, 2011) on the account of the dimensions of culture. GLOBE theoretical model aims to describe, understand and predict the influence of specific cultural variables on leadership and organizational processes and the effectiveness of the processes (House, Javidan & Dorfman, 2001). Therefore, dimensions of culture is considered as the depending factor on the interdependent self-construal and interaction goals emphasize by the measure of the values and practices scales interact and the dimensions of values and practices can be employed at societal and organizational levels which are relevant to cross-cultural interactions (Shi & Wang, 2011).

House et al., (2002) extended Hofstede's Cultural Dimension Model and indicated two more cultural dimensions into their GLOBE model which are Human Orientation and Performance Orientation to measure the similarities and differences between two different cultures. Thus GLOBE model remains important in analyzing the cultural distance within countries. The role of cultural distance is very important to international business as it helps to understand the communication behaviors that lead to integrative agreement during the process of negotiation. As suggested by Javidan, House, Dorfman, Hanges and Lague (2006), finding which cultural dimensions is the key to the relationship when two cultures meet.

Although GLOBE model has not been widely used in many cross-cultural communication studies, it had already made an impact in analyzing the cultural norms of 62 societies and it had also determined how national culture is being represented (Brewer & Venaik, 2011). The nine units of measurement or nine cultural dimensions are valuable especially for quantitative research designs as they are more expansive compared to Hofstede's clarification system. This paper of culture, interdependent self-construal and interaction goals underscores the complexity of the international business negotiations and how it is influenced by culture. Therefore, GLOBE model can help global business negotiators communicate more effectively across cultural and geographic boundaries because different cultures have different ideas about what they want from their business counterparts and it is proposed that international business negotiators need to adapt their styles to be more effective to suit different cultural business environments.

The conceptual link between dimensions of culture and interdependent self-construal will be made and it is arguable that this linkage is imperative for the realization of integrative negotiation outcome in international business negotiation outcome. However, the negotiation outcome does not only depend on cultural dimensions alone but also interdependent self-construal which influences the interaction goals (Liu & Wilson, 2011).

3.2 Relationship of Dimensions of Culture and Interdependent Self-Construal

Self-construal is one's self-image and consists of independent and interdependent self-construal (Oetzel, Ting-Toomey, Masumoto, Yohochi, Pan, Takai & Wilcox; 2010). Self-construal is used in previous studies to explain differences in communication styles (Oetzel, 2001). The study of culture and interdependent self, however, has two other highly significant consequences for the field of cross-cultural communication in collectivistic context, and they are the focus here. First, the study of culture and interdependent self has renewed and extended cross-cultural communication's understanding of

interdependent self or culture and casts it as central to analyze communication behaviours of business negotiators in international business negotiations. Second, the study of culture and interdependent self has led to the realization that people and their sociocultural worlds are not separate from one another.

Markus and Kitayama (2010) suggested that we require each other to complete each other even though culture shapes our thinking, feeling and action. Further, the larger cultural gap, the interaction between two parties might be even more difficult (Kumar & Worm, 2002). Zhao (2000) and Ke (2011) supported that negotiation can be even more complicated when it concerns of international business negotiations as differences in culture and languages would influence the effectiveness of communication. An example of how the process of negotiation, culture and communication are interconnected with each other, Neuliep (2012) and Hurns (2012) explained that people need to deal with difficulties when they face with people from other ethnic groups and cultures. At the end, they do not know how to communicate when they are in such situations which lead to miscommunications, misinterpretation or misunderstanding, negative feelings and negative outcomes (Fisher & Brown, 1991; Okoro, 2012). Therefore, effective communication process leads to equal participation, cooperation and respect (Oetzel, 2001) which are important in international business partnership and collaboration.

Interdependent self-construal of self involves an emphasis on the importance of relational connectedness. This explains the reason of why avoiding, obliging and compromising styles are associated positively with interdependence (Oetzel et al., 2001). However, Oetzel (2001) could not determine whether the interdependent self-construal influenced the communication processes or the communication processes influenced the interdependent self-construal. For example, it may be that cooperation and respect in a group lead to a feeling of interdependence with the other members or that feelings of interdependence lead to cooperation and respect (Oetzel, 2001). Previous studies also highlighted that religion is closely linked to ethnicity (Abu Bakar & McCann, 2014) and thus, shared cultural norms are very common if both parties have the same religion. Therefore, this paper predicts that by having the same religious beliefs between the two parties would be easier to reach agreement and share benefits and obligations in international business negotiations.

On the basis of the above literature review, it may be postulated that dimensions of culture and interdependent self-construal have direct dynamic link to define the relationship of cultural norms and communication styles as it remains an uncertain issue in the research. Hence, if the relationship of cultural norms and the interdependent self-construal positive, it positively affects the communication behaviours. Likewise, if it is negative, it will negatively affect the communication behaviours. Thus, this paper proposes the following preposition.

Preposition 1: Collectivistic values have positive association with independent self-construal.

3.3 Relationship of Dimensions of Culture and Interaction Goals

There is limited literature that provided the link between dimensions of culture and interaction goals in collectivistic culture. In previous studies, it is found that interaction goals do have positive impact on negotiation outcome which is the evident of the fact there is a link between dimensions of culture and

interaction goals (Liu & Wilson, 2011; Liu, 2011). Interaction goals are defined as capability to engage in acting, thinking or behaving in certain ways with others that will also influence the other party's attitudes or behaviours (Liu & Wilson, 2011). Generally, when people enter negotiation, the negotiators believe they hold incompatible goals but to produce positive outcome, both parties must cooperate by mutual agreement (Liu & Wilson, 2011). Hence, goals were suggested to be the key to motivation in negotiation (Hendon, Hendon & Herbig, 1996).

As cultural characteristics represent cultural values and beliefs which refer to the ways people think, behave and react, it is predicted that the cultural characteristics play an important role in the interaction goals of the international business negotiators. Previous studies had consistently shown that rewards, expectations of future cooperative interaction or culture impact the behaviours of negotiators (De Dreu, Weingart & Kwon, 2000; Cai, Wilson & Drake, 2000). However, past research fail in examining how goals predict interaction outcomes (Liu & Wilson, 2011). The reasons are in integrative strategies, priority information, exchange and multiple-item offers tend to bring successful joint-partnership compared to distributive strategies which are more focus on threats, positional commitments and persuasive arguments (Carrell & Heavrin, 2008; Lewicki, Barry & Sauders, 2010). The relationship between dimensions of culture and international business negotiation outcome, therefore provide reasons to believe that interaction goals, through their impact on behaviour can be used to predict negotiation outcome.

We know of little research about how similarities in collectivistic values and practices may create common goals between the two parties to create value in international business negotiations. There is evidence that both parties can benefit from working together rather than competing (Lewicki, Barry & Sauders, 2010; Kumar & Patriotta, 2011; Jiang, 2013). Past research tended to focus on cultural differences and ignore potential cross-cultural similarities in the international business negotiation processes (Liu & Wilson, 2011). Based on the extensive reviews, previous studies had not measured the relationship between cultural norms and international business negotiation outcomes (i.e. interaction goals) in a collectivistic business culture and environment. Further research suggests that negotiators from collectivistic cultures should be examined in terms of their cultural norms, preferred communication styles and interaction goals to facilitate integrative outcomes in high-context cultures. Hence, if the relationship of cultural norms and interaction goals positive, it positively affects the communication behaviours. Likewise, if it is negative, it will negatively affect the communication behaviours. Based on this, this paper proposes that :-

Proposition 2: Cultural norms associate with interaction goals in international business negotiations.

3.4 Interdependent Self-Construal as Mediation

Interdependent self-construal is the crucial determinant of the interaction goals as it serves as the significant predictor of it as suggested in communication styles across culture. In addition, it was found that in previous studies by many researchers that interdependent self-construal is a significant fact that interdependent self-construal also has been shown to play an important role in explaining the relation of the cultural norms and interaction goals (Oetzel, 2001; Gahan & Abeysekera, 2009; Markus &

Kitayama, 2010; Liu & Wilson, 2011; Liu, 2011). There is enough evidence about the effects of antecedents on interdependent self-construal towards the collectivistic communication behavior in connection of the exposure of cultural norms (Oetzel, 2001; Markus & Kitayama, 2010). However, no empirical compilation and enough studies in the past have been conducted to explain the mediating role of interdependent self-construal in the connection of the exposure of cultural norms to interaction goals which is proposed in this present study. Based on this, this paper proposes that:-

Preposition 3: Self-construal mediates the relationships between cultural norms and interaction goals.

On the basis of the above arguments, we put forth the idea of the following preposition.

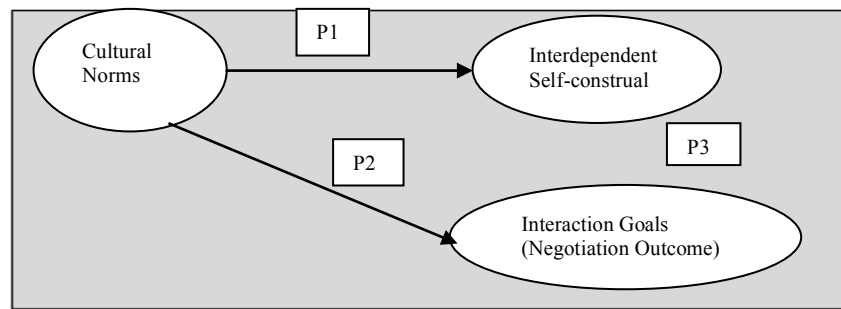


Fig.1. Relationship between Cultural Norms, Interdependent Self-construal and Interaction Goals (Negotiation Outcome)

4. Limitations and Suggestions

In spite of the fact that this paper is a theoretical contribution, but this is still not without the some prospective limitations. The key limitation of this paper is conceivably it is focus on cross-cultural communication in international business negotiations, in explaining the link of the dimensions of culture as the main factor that impact the international business negotiation outcome but it is not the only predictors for the negotiation outcome (Oetzel, 2001; Liu & Wilson, 2011).

Secondly, literature recommended some other imperative factors which also need explanation of their relationship with antecedents like interdependent self-construal and interaction goals of international business negotiations (Oetzel, 2001; Liu & Wilson, 2011). According to Oetzel (2001), interdependent self-construal is important predictor for portraying communication styles of collectivists. Thus, it would be enviable for future research to study the influence of interdependent self-construal other than dimensions of culture in defining and clarifying certain other components which have link with the communication behaviour.

Thirdly, this paper is only temp to explain the relationship of exposure of dimensions of culture and interaction goals in literature it remains in consistent to explain some elements like interdependency between the two parties for the purpose of distribution of resources, resolve a problem, innovate and share connections (Lewicki, Barry & Sauders, 2010; Hames, 2012). Lee, Yang and Graham (2005)

suggested that doing future research on these said areas tend to show some similarities and differences between two national cultures to improve good fieldwork on international business negotiations.

Lastly, this paper is only a theoretical exploration as it further deepens our understanding of the impact of culture on international business negotiations. It is expected that this work lead towards explanation of the role of interdependent self-construal and interaction goals in collectivistic culture to address the relation of exposure of the cross-cultural communication which may be studied further to determine the empirical findings about the other dynamics of cross-cultural communication in international business negotiations. According to Sarkar (2010), he suggested to further explain the framework of developing future strategies for successful negotiation at diverse levels with integrative outcome by including dimension of cultural values and business ethics in international business negotiation to promote corporate excellence. Cultural intelligence or CQ which consists of cultural knowledge, cross-cultural skills and cultural metacognition should be understood as it contributes to bridging boundaries of difference between two people and knowledge gaps that can turn from international competition to cooperation approach in the global business negotiations.

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