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MISCOMMUNICATION DURING INTERNATIONAL NEGOTIATIONS: HOW MUCH DO CROSS-CULTURAL DIFFERENCES AND FOREIGN LANGUAGE KNOWLEDGE MATTER?

Abstract:

Recent years have seen a vast body of research into how the differences in national culture-dependent values and behaviours affect the process and outcome of international negotiations. The authors in general stress the importance of awareness of cross-cultural differences and the role of training. At the same time, some investigations carried out in Hungary indicate that business professionals working in a multicultural context tend to attribute miscommunication with their foreign partners to their insufficient foreign language skills rather than to their insufficient intercultural competencies. This is believed to be due to the little attention paid to cross-cultural differences both in formal instruction and in in-company trainings. The purpose of the present paper is to present and discuss the results of 96 interviews carried out with Hungarian business practitioners who routinely conduct negotiations with foreign counterparts, and to draw conclusions about their cross-cultural awareness through the analysis of the critical interactional incidents they recalled and how they interpreted them. The findings of the investigation show that less than one fourth of the respondents realise that cross-cultural differences need to be taken into account when preparing for and conducting negotiations, whereas the majority believe that their success in international negotiations is a result of factors other than their foreign language knowledge or intercultural competence.

Keywords:

critical interactional incidents, cross-cultural awareness, foreign language knowledge, international negotiations

JEL Classification: F23, A13, J24

Introduction

The past 25 years have seen the increasing internationalisation of workplaces in Hungary. Working in an international environment necessitates the effective knowledge of foreign languages. At the end of the 1980s, Hungarian educational institutions saw the abolition of Russian as a compulsory foreign language. At tertiary level it resulted in Russian for Specific Purposes (RSP) teaching falling into the background and giving way to the teaching of Languages for General Purposes (LGP), in many cases at the basic or lower intermediate level. However, since the middle of the 1990s, Languages for Specific Purposes (LSP) teaching has been gaining ground with revised objectives, content and teaching techniques (see, for example, Ablonczy-Mihályka 2003, Tóthné Kurtán 1994), as distinct from former RSP instruction, which mostly dealt with reading and translation in order to equip students with specialist terminology. At the same time, the exit language requirements for all bachelor and master courses are specified by the state. Students need to pass one or two accredited LGP or LSP examinations offered by accredited language examination centres at B2 and/or C1 level. It follows that during tertiary language courses much attention is paid to preparation for these examinations while budget constraints limit the opportunities to practise job-related tasks in a foreign language in a real life-like work environment. However, each year about 20-30 % of students do not receive their degree owing to the lack of the required language examination(s). At present the number of specialist courses offered in a foreign language is very limited.

Hungarian researchers involved in cross-cultural examinations point out that cross-cultural competence is a key factor for Hungarian managers and employees in order to function effectively in a multinational work environment (e.g. Ablonczyné Mihályka 2002, Ablonczyné Mihályka and Nádai 2010, Ablonczyné Mihályka 2014, Szőke 2013, 2014, 2015). Quite a few Hungarian universities (mainly in the field of business studies) offer compulsory or optional intercultural communication courses, often in a foreign language. These courses try to balance theory and practice but, due to time constraints and Hungarian educational traditions, theoretical knowledge is often considered more important (Ablonczyné Mihályka 2015). Other business-related courses, e.g. presentation techniques or business negotiations tend to be more skills-based.

A questionnaire survey (in the framework of an Austro-Hungarian project) carried out among employees of SMEs in the border regions found that very few of the 250 Hungarian respondents could communicate fluently in German and even fewer of them spoke English at intermediate or advanced level (Tompos 2013). When these respondents were asked in what areas they thought they needed help with establishing contact with a foreign company, most of them (34%) ticked off the option 'I do not need any help'. 26 % ticked off 'language and communication' and only 7% 'cultural knowledge', while they Austrian counterparts thought they would need less help with the former (20%) and much more (14%) with the latter factor. Moreover, it was also found that Hungarians tended to attribute miscommunication to their insufficient foreign language skills rather than to the lack of their intercultural competence. Tompos (2013) pointed out that Hungarian respondents might not focus on cultural differences between Austria and Hungary because they assume that the two are similar due to geographical and historical factors, although several investigations have shown that there are differences in values which manifest themselves in different behaviours and norms.

Researchers of business negotiations also stress the importance of culture, e.g. in negotiators' ethical considerations and choice of tactics (e.g. Volkema 2004, Zhang et al 2012). With regard to the contextual/situational factors which influence negotiators' decisions on their strategy, Rivers and Lytle (2007) claim that culture is more than a simple variable since it affects other variables, e.g. the legal environment, the goals, or the negotiators' impression of their opponent. Yet, a qualitative study carried out by the present author indicated that while Hungarian business negotiators attach great importance to communication skills and the knowledge of foreign languages, in their view intercultural competencies are of little importance (Tompos 2010). This finding was confirmed by a quantitative regional examination on what skills, qualities and abilities business negotiators thought were an important factor to effective and successful negotiations (Tompos 2014).

Purpose, data, scope and methods

The purpose of this paper is to further examine how much importance Hungarian negotiators operating in an international context attach to proficiency in a foreign language and cross-cultural competence through the analysis of 96 interviews. The interviews were carried out by BA students taking part in the author's intercultural communication and business negotiation courses. It should be admitted that the primary aim of the investigation was educational: it provided students with the opportunity to enhance their research skills and further, the critical interactional incidents respondents recalled will be incorporated into the content of the above courses as case studies.

The interviewees were selected by means of convenience sampling, namely easily available subjects combined with snowball. These methods, which in fact are not representative, are accepted in qualitative studies as the aim is to gain rich data (Babbie 2010). The sampling criteria were the following: the specialist informants had to be practising Hungarian business professionals who routinely conduct negotiations with representatives of foreign cultures. An interview sheet to map out prospective respondents' educational and organisational background, cross-cultural and negotiations-related formal studies and experiences with foreign partners was developed together with an interview protocol (Kvale 1996) and further, two pilot group interviews were conducted in order to standardise the interviewing process. The interviewers recorded the interviews and they also took notes.

The present study focuses on the answers received to the following question, *Can you recall a negotiation when its efficacy was hindered by lack of knowledge of cross-cultural differences or lack of foreign language proficiency?* The interviewees' replies were processed manually, thus the analysis necessarily includes subjective decisions made by the author.

Findings and discussion

The overall result is that only a little more than half of the respondents was able to recall a concrete experience; the majority of these incidents were caused by, according to the interviewees, limited foreign language skills.

Although the presentation and analysis of replies which the respondents gave to other questions falls out of the scope of the present study a note should be made that the interviewees' knowledge of foreign languages is higher than that of the Hungarian population in general since all of them speak at least one foreign language at intermediate (B2) level but the majority speaks two or three foreign languages. A surprisingly high number (72) of the respondents received formal cross-cultural training. When they were asked whether they thought these courses had been useful, 54 of the 72 respondents answered positively. A little more than half of the respondents (51) claimed it was more difficult to negotiate with foreigners than with Hungarian opponents.

On the basis of the replies concerning the critical incident the following three categories were established: (1) the respondent did not give a relevant answer (2) the respondent attributed the incident to limited foreign language skills; (3) the respondent attributed the incident to lack of intercultural knowledge. Below these categories are broken down to sub-categories and illustrated by respondent replies.

Irrelevant answer

A total of 44 interviewees claimed they could not remember an incident caused by lack of foreign language proficiency or lack of knowledge of the opponent's culture.

'I can't remember'

32 respondents gave very short answers. They said they could not remember or there had not been such a case. Certainly, this might be a result of lack of time during the interview of the interviewees simply did not want to recall embarrassing situations. One respondent said *Not yet or I might have not noticed*.

'Not me'

8 respondents either referred to colleagues or acquaintances' experiences (e.g. *I have not yet had such an experience. But my friends told me they had minor problems with Arabic negotiation partners*) or their cross-cultural competence (e.g. *I have not yet had such an experience but I know there are cultures where nodding means no and this might cause problems*).

Other variables

4 interviewees referred to factors other than language knowledge or cross-cultural competence as keys to effective business negotiations with foreigners. One respondent referred to her own qualities (*I am flexible, adjust fast, notice and tolerate the differences*), another one to those of the counterpart (*The efficacy of a negotiation does not depend on the culture. The opponent might be nice, horrible, or somewhere between these two. If they are nice they make themselves understood and understand me somehow. If they are not, for example they are too formal or self-content, they don't*). One respondent claimed joint aims are of utmost importance (*I think it is most important to first find the common ground regarding the aims of the partners and then it is easy to come to a compromise. If the goals are different, linguistic and cultural explanations of failing to reach a solution are only excuses*), while the fourth referred to a long cooperation with well-known business partners.

Linguistic obstacles

A total of 29 interviewees attributed miscommunication to linguistic reasons. 16 of them claimed that it was more difficult to negotiate with foreigners than with Hungarians. The answers are grouped under four subheadings although some of the respondents referred to more than one factors.

Limited foreign language proficiency

19 respondents said the reason for less efficient negotiations was their or their partners' low foreign language proficiency (*At the beginning of my career I was hindered sometimes but I only had problems with the language, this made negotiations difficult. I've never had any other problems*). 5 interviewees referred to problems with English as a lingua franca, when negotiating with French, Italian, Polish, Russian and Zimbabwean opponents. Another 4 interviewees claimed difficulties arose due to their or their partners' lack of knowledge of specialist terminology (*We negotiated with Slovenian partners in English, and could not reach a deal because we did not know the specialist terminology and could not speak the language for specific purposes*).

Accent, use of Hungarian words

One interviewee mentioned foreign partners' accent and use of regional words as an obstacle and another one said their Hungarian accent when speaking in a foreign language was a drawback. A third respondent recalled an incident with Finnish negotiating partners:

The negotiation was going smoothly, sometimes quite informally. During the negotiation the Finnish partners used their mother tongue between themselves and so did we. My colleague was staring at one of the Finnish opponents while I was fervently explaining something to him. While agreeing with me he often said 'persze' (of course). When our Finnish partners heard this, they stopped talking and looked at us questioningly, which we did not understand. It soon turned out that 'persze' is a swearword in the Finnish language thus it was small wonder they did not like it.

Problems with interpretation

5 respondents said that the employment of an interpreter/interpreters hindered the negotiations with Asian partners:

Once we had a negotiation with Chinese partners. What they said was first translated into German and then into Hungarian. I think the essence was lost in the translations and this influenced efficacy, or better to say, resulted in inefficiency.

Cultural factors attributed to linguistic factors

Two respondent recalled negative experiences with Asian partners. They attributed the difficulties which arose to the opponents' low English proficiency although the problems they mentioned, in the author's view, were a result of cultural differences.

The limited linguistic proficiency of our Japanese partners often hinder our negotiations. It makes communication very slow and a meeting or a negotiation lasts twice or three times as long as it should, which is annoying and tiring for the other party.

English spoken with a Chinese accent is sometimes incomprehensible. I feel our Chinese partners smile and nod because they are trying to be polite (in their understanding) if they do not understand the question.

Cross-cultural differences

A total of 23 respondents said ignorance of the partner's culture might lead to less successful business negotiations. However, only 10 of them claimed that it was more difficult to negotiate with foreigners than with Hungarians. It should be noted that 9 of them also referred to their limited foreign language skills. There are general answers but more than half of these interviewees was able to recall a concrete critical incident.

General statements

10 interviewees stated that cross-cultural differences might lead to problems. These respondents in general are of the opinion that it is possible to eliminate these problems through getting acquainted with the partners' culture and habits.

Our negotiating partners are not prepared with regard to the Hungarian culture and it often results in difficulties. Limited foreign language proficiency is also an obstacle.

I often found myself disadvantaged because I had failed to think about the cultural differences prior to a negotiation with foreign partners.

At the beginning of our partnership, cross-cultural differences-related difficulties arose with our Far-Eastern (Korean, Japanese) partners, although they also might have learned something about how to deal with European clients. Luckily we managed to eliminate these problems since we had a joint aim: a long-term and fruitful business cooperation. We did not have any linguistic problems – I think both parties were prepared in this respect.

Critical incidents

13 respondents recalled a concrete incident. These incidents often illustrate commonplace knowledge, e.g. the importance of punctuality in Germany, the flexible attitudes to deadlines in Mexico, the role of emotions in Italy, the long decision-making process in Japan, humour, ambiguities and understatements in the British communication, or the attitude to female negotiators in Arabic cultures. Still, they lend themselves to analysis from the perspective of cross-cultural differences in intercultural communication and negotiations courses to provide students with on-hands experience from practising professionals.

In general difficulties arise due to linguistic reasons although there are fewer and fewer colleagues who do not speak German fluently. I think our German partners often fail to consider Hungarian peculiarities. They do not know Hungary and the circumstances in Hungary. They tend to believe the official way is the shortest.

Once I had a negotiation with a German and an Italian partner. We had a tight and busy agenda and still, the Italian was 20 minutes late. This lead the German to think the negotiation is not important for the Italian. We began negotiating. It was already 1 o'clock p.m. but the negotiation was still going on. The Italian said we should take a lunchbreak and finish the items on the agenda after launch but the German insisted we should conclude all of them first. At last they managed to agree that we finished the actual item and talk about the rest after lunch. Eventually, we had a successful negotiation.

In 2006, when I was working for another company, I had to conduct negotiations with a South Korean company. My contact was a man of about 35 years of age, the procurement manager of the company. Very often did we 'talk besides each other' during telephone conversations and even in our electronic correspondence. He always wanted shipping deadlines tighter than what we offered. The reason for our communication problems was his limited English-language proficiency. On the other hand, he seemed not to know the word 'no'. Whenever I told them straightforwardly that we are unable to meet his demands he was sure to bring up the topic within two minutes and the whole conversation began again. Also, he himself never uttered the word 'no'. For example, whenever I asked him whether he was willing to accept our conditions, he always said, "Yes, but..." and started to talk about his standpoint again. Further, for some reason he kept calling my superiors. When a telephone conversation ended without a result for his side, he phoned my boss within 5 minutes and he told him about the same problems. It took about half a year for him to understand that he will have the same answer, no matter which high-level manager he calls.

Once we had difficulties at the beginning of a negotiation with a delegation from a formerly Soviet country. They did not know us and were quite distrustful. After some hours their attitude changed and eventually they became quite informal and we were able to conclude a good deal. After the negotiation they told us why they had been distrustful at the beginning: our delegation was quite informal, which is accepted practice in Hungary. During the negotiation they realised that in spite of this we did respect them and so they became more informal as well.

At first I was not prepared for long negotiations with Spanish partners although I had been learning about the Spanish culture for years. They can speak so much! I recommend anybody who meets them for the first time to take a coffee or two, it will be a long negotiation...

Conclusion

The results of this small-scale investigation seem to confirm the author's previous findings, namely that Hungarian business negotiators do not attach great importance to cross-cultural competence and that in many cases they attribute miscommunication to limited linguistic skills rather than to lack of cross-cultural knowledge. At the same time, Hungarian business negotiators seem to be more aware of cultural differences than professionals working in other fields of business but also in an international context, although the majority of the respondents claimed that it is not more difficult to negotiate with foreigners than with Hungarians. It is considered an interesting finding that a higher ratio of those interviewees who recalled a language-related incident believed that it was more difficult to negotiate with foreigners than with Hungarians.

The findings of the study touched upon factors other than these two as keys to successful negotiations in an international context. The respondents mentioned variables like common goals, one-off or long-term cooperation and the opponent's personal traits.

Although the majority of the respondents received some kind of formal cross-cultural training and claimed that these in-company training or academic courses were useful, in the first place they talked about language-related problems. Further, in their answers

none of them referred to the knowledge gained through these courses: they did not mention either the categories established in cross-cultural management research (e.g. polychromic culture, masculinity or power distance) or the cases they analysed. This seems to lead to the conclusion that more practical intercultural communication courses are needed in order to enhance pre-work or in-work professionals' cross-cultural competence and awareness of cultural differences.

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