The definition of “negotiation” in English (Longman Dictionary) is “to discuss something in order to reach an agreement, especially in business and politics.” In Chinese, *tanpan* (negotiate) consists of two components: *tan* “to talk,” and “*pan*” to judge, which means, “to judge each other’s position and relationship through talk.”

Successful negotiation with the Chinese requires understanding of some key concepts in Chinese culture in terms of communication and the preferred communication style. Key concepts in dealing with the Chinese include human relationships, time orientation, and the issue of face. Human relationships in Chinese culture are complex, and focus on attention to rank hierarchy, ingroup or outgroup membership, and an emphasis on personal connections, or *guanxi*.

These cultural concepts are present in all cultures, but the manifestation and the significance attached to them differ from culture to culture, which is why communication can break down even if people are using the same language. Thus it is essential to understand one’s own cultural practices if one wants to be successful in dealing with people from other cultures. The contrast of American and Chinese communication styles in negotiation illustrate some underlying cultural barriers for Americans in communicating with the Chinese.

**COMMUNICATION STYLES IN NEGOTIATION**

**The Americans**

For Americans, the goal of communication in a negotiation is to exchange facts in order to make a business deal. Language is used to facilitate information exchange, to clarify most important
issues and to resolve conflicts. It is important to follow the rule of clarity, brevity and sincerity in business communication. Many books for business communications advise that one should answer the five “W” questions of “who, where, when, what and how” in oral or written communication so as to give the listener/reader a clear picture of what he/she is talking about. The direct and linear communicative style is the dominant style in American business negotiation.

The Chinese
The Chinese are seen as ‘inscrutable’ by the Americans because of their indirect communication style. For the Chinese, negotiation is more than just making a business deal. It is also a process of establishing a long-term business relationship. So they are careful in judging the other’s intention and position in relation to their own.

Talking is a means to reach the goal of establishing a relationship as well as an end in that it serves to engage the parties in a process of getting to know each other. Language use is characterized by indirect expressions, concern for the other’s face, and emphasis on human relationships and personal as well as national feelings.

Understanding The Differences Between American And Chinese Communication Styles
The differences between the Americans and the Chinese in their communication styles are a result of the deep-rooted cultural values and worldviews upheld in these two cultures. Although there are many cultural issues involved in communication, the focus here is on two aspects of culture that are directly linked to communication styles: human relationships, and time orientation.

1) Human Relationships
Human relationships refer to the way a cultural group organizes relationships among members of the group. They include the basic concepts of kinship, the concept of self and ingroup-outgroup relationships. These concepts affect the way an individual relates him/herself to and interacts with other social members.

In American culture, individualism and egalitarianism are emphasized to an extreme, resulting in independence from kinship and hierarchy. For Americans, the basis for respect is an individual’s character, technical expertise, and experience. The admired behavior in the American workplace is efficiency and order. Personal actions are based on individual initiative; business is separate from personal relationships (e.g., “Don’t take it personally”).

In Chinese culture, human relationships are based on hierarchy and group memberships. Ingroup and outgroup distinctions are very important for the Chinese. A metaphor used to describe this social relationship of inner circle and outer circle is the “donut” phenomenon. Insiders share mutual respect and trust; but those on the outside periphery don’t belong to the group, so they are not trustworthy and there’s no need to pay special attention to them. That’s why personal connections are of primary importance in China. That’s also why the Chinese seize every opportunity to establish connections and long-term relationships.

Another important issue in human relationships for the Chinese is the concept of face. Face in the Chinese context has multiple implications. It means social status, social power, influence and the public image an individual presents. Face is also linked to one’s position in the hierarchy. The higher a person is in the hierarchical structure, the more face (or power) he/she has, and the more influential he/she is. Causing someone to lose face is a direct threat and challenge to his social position as well as individual value. Moreover, since the Chinese are closely tied to their
own groups, a challenge of one individual is a challenge to the whole group. The group can be
one’s family, work unit, the region he/she is from, or the whole nation.

**a) Avoidance of argument and conflict**
China is never an argumentative culture: argument and disagreement are received negatively
in Chinese culture. Personal feelings and national feelings are closely linked to business
issues, so it is difficult for the Chinese to separate business from personal feelings. Argument
and disagreement are taken PERSONALLY, and seen as a direct challenge and a threat
causin g one to lose face. That’s why Chinese language use is flowered with indirect
expressions to avoid conflict and disagreement.

It is also important to avoid posing a ‘colonial attitude’ or an ‘imperialist mindset’ when
dealing with the Chinese. They are quite sensitive to this kind of issue, because the Chinese
believe they were once the center of the universe, and now they have lost their past grandeur.
It’s a loss of personal face as well as national face if they feel that they are inferior, so the
Chinese would do things that seem unreasonable to the outside world just to protect their
face.

**b) Hierarchical structure**
The basis for respect in Chinese culture is rank and seniority. The Confucian idea of the
hierarchical order of “the ruler and the ruled”, “father-son”, “husband-wife”, and “older
brother-younger brother” still dominates interpersonal relationships and the communication
style in Chinese culture. Rank hierarchy decides almost every move in a business encounter,
such as speaking turns (who speaks first, who’s next), greetings (who to greet first), seating
arrangement (who sits at the head of the table, and who sits down first), leave-taking (who
goes first, and who stays behind). Every move is based on the rank hierarchy among
participants. The higher a person’s rank, the more respect and deference are due.

**c) Three kinds of power**
In the workplace there are three kinds of power: leadership, administrative, and expertise
power. Each of these forms of power comes from a different source. Leadership (lingdao
quan), power to make policy, is the legitimate power of the ruling party, secured by the latest
version of the Chinese constitution. This power is exercised through the control of national
policy-making, i.e., those policies that are believed to best protect the interests of the ruling
party and the people.

Administrative power (xingzheng quan) is the power to govern. That is, administrative
power is subordinate to leadership power because it is seen as the power to carry out the
policies set by those with leadership power. It is exercised through decision-making or what
Americans might better call implementation. The policies made by the leadership power
serve as guidelines or principles under which problem-solving solutions are considered.
These two kinds of power are the two traditional forms of power in contemporary China.

Now a new dimension of power is being added to China’s power arena: this is the power of
expertise. Rapid modernization of China in this period has been set as a priority of
leadership power, but most leaders and administrators of the older generation do not have
expertise in new technologies. Consequently, those who do have this knowledge or expertise
are coming to exercise a kind of power that it is essential for leaders and administrators to
recognize as part of carrying out their own forms of power. Thus the power of expertise is a
personal power due to the possession of special knowledge, which in almost all cases is
achieved through education in new technologies. Moreover, expertise power is one of the
forms of power both recognized and legitimated for foreigners within Chinese business and governmental contexts.

How do these three kinds of power interact with each other? How do they work in Chinese governmental organizations? Let’s take a meeting as an example to illustrate their functions. See Figure 1 below.

Leadership power is exercised most in pre-meeting activities and then again in the conclusion of the meeting. The other two forms of power—administrative power and expertise power—only play a small role in pre-meeting activities and the meeting proper. But they do have a strong role in the post-meeting implementation. This post-meeting implementation is often a continuation of the meeting which occurs, often in the same place, but after the meeting is formally concluded.

>Dialogue #1 in the Appendix illustrates how the Chinese concept of hierarchy and these three kinds of power can cause problems in cross-cultural communication.
2) Time Orientation

For Americans, time is one-dimensional, or ‘monochronic.’ In other words, all activities are accomplished according to one view of time, which is perceived as sequential, linear, and segmented. This view of time manifests itself in Americans’ reliance on clocks, calendars, schedules, and plans, and in their reluctance to ‘change their plans’ or upset their schedules. They also prefer to do one task at a time, and set priorities for task accomplishment based on previously set plans. Moreover, monochronic cultures take deadlines very seriously, and believe that promptness and ‘being on time’ show seriousness and professionalism in business dealings.

The Chinese, by contrast, see time as polychronic, or multidimensional. Because they view different activities as having different timeframes, they prefer to establish long (lifetime) relations, change plans and deadlines easily and often; frequently do not follow schedules; engage in multiple tasks simultaneously; and base task priority on the strength of relationships.

China has a history of over 5,000 years. So what seems like a long time in American culture can be viewed as very short from the Chinese perspective. While the American business world operates on good planning and detailed scheduling, the Chinese thrive on flexibility and spontaneity. They find order in chaos and go with the flow. They do things when the time is right and when the opportunity is there, not so much according to a plan or schedule. They tend to do several activities at a time and change plans and reschedule easily and often. Their behavior and actions may seem unpredictable and confusing to Americans, who are used to orderly and well-planned activities.

3) Specific Linguistic Issues In Negotiation

What should one watch for when negotiating with the Chinese? What are the pitfalls?

a) Topic introduction: inductive vs. deductive

An inductive pattern of topic introduction refers to the message structure of putting supporting details or reasons first before reaching the main point. The Chinese tend to use this pattern in talking because this is in accordance with the Chinese sentence structure: yinwei (because) … suoyi (so). The background information of the main point is laid out first and the main point (or topic) is deferred until sufficient backgrounding of the topic has been done. This pattern also lets the speaker receive the listener’s reaction before he/she goes on to the main point.

A deductive pattern of topic introduction gives the main point first and then develops the argument by providing details and reasons. The most important information is provided upfront; supporting information is given afterwards. This is the pattern preferred by Americans in speaking and writing: tell others your main point first, and then add the relevant supporting details.

Americans perceive the inductive pattern as more indirect and circular, while the deductive pattern seems direct and linear. This can cause confusion and misunderstanding between Chinese and Americans. The Chinese see the Americans as too bold and too arrogant, while the Americans think that the Chinese are inscrutable and dishonest. One way to resolve this misunderstanding is to understand the other culture’s preferred pattern of language use, such as message structure and topic introduction.
b) The difference in expressing opinions
Americans take direct expression of opinions as being honest and sincere, and believe that everybody is equal and has the right to say whatever he/she thinks. The Chinese, on the contrary, operate by the rule of respecting the hierarchy and being polite. Speaking rights and speaking turns are allocated according to the speaker’s position in the hierarchical structure (see Figure 2). It is considered inappropriate and rude if a speaker talks at the wrong time.

Figure 2: Speaking Turns in Chinese Meetings
(Pan, Scollon & Scollon, 2002)
Another pitfall is the way to show disagreement. Americans tend to be direct with different opinions and rely on talk to resolve conflict. Furthermore, Americans are comfortable with criticizing a person’s idea or opinion without meaning to belittle the person. In other words, Americans separate behavior and character, and thus intend no insult by disagreeing.

The Chinese, by contrast, try to avoid direct confrontation, because it will cause the other to lose face. Disagreement is shown by various indirect cues, such as showing doubt, giving alternatives, or remaining silent. Moreover, Chinese often do not separate a person from his or her actions or opinions, and thus opposing an idea is in effect criticizing the person expressing that idea.

c) Silence
Silence as a non-verbal communication cue exists in all cultures, but different cultures have different meanings and interpretations for silence. Americans interpret silence as a negative signal showing disinterest or boredom, so they keep talking and try to fill every gap in the conversation. In order to avoid unwanted silences, the pauses between speaking turns are relatively short. Americans also expect fairly quick responses to questions during a conversation or negotiation; remaining silent for more than a few seconds may be perceived as indecisive or uncooperative.

The Chinese, like most Asians, tend to have longer pauses in their conversation, and interpret silence as demonstrating seriousness and sincerity in considering the matter. Silence can also be a way of showing disagreement without directly expressing a negative opinion. This is the exact opposite of the American saying, “Silence gives consent,” and so is often misinterpreted by Americans when dealing with the Chinese. For an example of how different cultures interpret silence and how the different expectations can lead to confusion in negotiation, see Dialogue #2 in the Appendix.

Conclusion
In summary, key points to consider when communicating with the Chinese are their communication style, view of human relationships, and time orientation. The Chinese communication style is characterized by indirectness, a high degree of concern for face and politeness, and an aversion to open conflict or disagreement. Their view of human relationships is governed by traditional Confucian ideals of respect for rank hierarchy, concern for group membership and opinion, and deference to leadership and administrative power in decision-making situations. Finally, the Chinese are flexible and patient negotiators, willing to sacrifice short-term profits in order to gain a long-term advantage or further an established relationship.


APPENDIX

Dialogue #1
Contrasts in Chinese and American Decision-Making Styles

Mr. Reynolds: Have you had a chance to look at our suggestions for repairing the dam?
Mr. Zhang: Yes. We’ve read them all with great interest.
Mr. Reynolds: So which one have you chosen?
Mr. Zhang: My colleagues and I like #5 the best. The others are very good, too, but only #5 will do what we want.
Mr. Reynolds: So when can we start hiring contractors?
Mr. Zhang: We must first get the approval of our superior, Mr. Hu.
Mr. Reynolds: I see. So you will recommend #5 to him?
Mr. Zhang: We will explain the situation to him and ask if he has any advice.
Mr. Reynolds: Does he have any background in this area?
Mr. Zhang: Oh, no. My colleagues and I are the technical experts.
Mr. Reynolds: Then Mr. Hu will accept your recommendation.
Mr. Zhang: Oh, we won’t be making a recommendation.

(Dialogue is from Storti, 1994)

Explanations for Dialogue 1:
Two important issues to consider here. One is the respect of hierarchy, and the other is the three kinds of power in Chinese society.

1. Respect for hierarchy: To make a recommendation to someone implies that you know more about a given matter than the other person does. The problem is that Mr. Hu is Zhang’s superior, and subordinates should always defer to and otherwise show respect for their superior. In this instance that means not implying that they know more than their superior by being so bold as to make a recommendation. Instead, they will “explain the situation to [Mr. Hu] and ask if he has any advice.”
2. Three kinds of power: Mr. Zhang and his colleagues are the technical experts, which means they have the expertise power. But Mr. Hu is their superior, who has the leadership power. Leadership power is exercised most in pre-meeting/pre-decision making activities and then again at the conclusion of the meeting.decision making process. Mr. Zhang and his colleague can only exercise their power in the implementation phase after the actual decision has been made by their superior.

**Dialogue #2**

Contrasts in Asian and American Negotiating Styles

Roger: How did the negotiations go?

Joseph: Not so well. We were taken.

Roger: What happened?

Joseph: Well, I proposed our starting price, and Takeda didn’t say anything.

Roger: Nothing?

Joseph: He just sat there, looking very serious. So then I brought the price down.

Roger: And?

Joseph: Still nothing. But he looked a little surprised. So I brought it down to our last offer and just waited. I couldn’t go any lower.

Roger: What did he say?

Joseph: Well, he was quiet for about a minute, and then he agreed.

Roger: Well, at least we’ve got a deal. You should be pleased.

Joseph: I guess so. But later I learned that he thought our first price was very generous.

*(Dialogue is from Storti, 1994)*

**Explanation for Dialogue #2**

The two central issues in American-Chinese communication illustrated by this dialogue are the variable meanings of silence and the differences in pauses and wait times.

1. The meaning of silence in American and Asian cultures: Most Americans are uncomfortable with silence during conversation or negotiations, and will assume it
means the listener doesn’t understand or is not pleased. Joseph, assuming Takeda’s initial silence meant “No,” quickly made a second offer by dropping the price. For the Japanese and Chinese, however, remaining silent for up to 30 seconds before replying shows respect for the speaker. During negotiations, moreover, such a silence signals that the listener is carefully and seriously considering the speaker’s offer.

2. Pauses and wait time between speaking turns: Americans typically rush to fill any silence of more than 5 seconds during a conversation. Thus the American ‘wait time’ between speaking turns is much shorter than what Asian listeners are accustomed to, with the result that Americans often speak again before Asian listeners feel it is polite for them to reply. While Takeda was formulating his response to Joseph’s first and then second offer, the American misinterpreted the Japanese polite pause length and dropped his price twice. When Joseph made his last offer “and just waited,” Takeda was finally given sufficient time to politely consider the offers, formulate a response, and reply.

**Examples of indirect expressions in Chinese**

--- ‘wenti buda’: the problem is not big (almost impossible)
--- ‘you dian tai yuan’: a bit too far away from (tentative refusal)
--- ‘women yanjiu yanjiu’: we study study (out of question)
--- ‘women kaolu kaolu’: we consider consider (let’s drop the issue)
--- ‘wo jinliang ba’: I’ll try my best (forget it)
AMERICANS & CHINESE
CONTRASTING COMMUNICATION STYLES

I. Communicative style

<table>
<thead>
<tr>
<th>American</th>
<th>Chinese</th>
</tr>
</thead>
<tbody>
<tr>
<td>direct</td>
<td>indirect</td>
</tr>
</tbody>
</table>

- **Goal of communication:**
  - to exchange facts
  - to develop a relationship

- **Use of language:**
  - clarity most important
  - politeness paramount

- **Importance of context:**
  - low: lg. carries meaning
  - high: read between lines

- **Expressing opinions:**
  - state openly & clearly
  - can say “no” directly

- **Criticism/disagreement:**
  - can say “no” directly
  - give alternatives; hedge

- **Expressing emotion:**
  - accepted as ‘honest’
  - public ‘mask’; self-control

|| Key values: || directness & clarity || harmony & politeness |

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II. Human Relationships

<table>
<thead>
<tr>
<th>American</th>
<th>Chinese</th>
</tr>
</thead>
<tbody>
<tr>
<td>individualistic</td>
<td>group-centered</td>
</tr>
</tbody>
</table>

- **Basis for respect:**
  - technical expertise
  - rank & seniority

- **Admired behavior:**
  - efficiency & order
  - patience & flexibility

- **Personal actions based on:**
  - individual initiative
  - group welfare & opinion

- **Decision-making by:**
  - democratic vote
  - hierarchy & consensus

- **Ethical decisions:**
  - same rules apply to all
  - situational application

- **Interruptions:**
  - rude; violate privacy
  - OK; frequent & expected

|| Key values: || freedom & equality || group agreement & benefit |

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III. Time orientation

<table>
<thead>
<tr>
<th>American</th>
<th>Chinese</th>
</tr>
</thead>
<tbody>
<tr>
<td>monochronic</td>
<td>polychronic</td>
</tr>
</tbody>
</table>

- **Future orientation:**
  - short-term goals
  - long (lifetime) relations

- **Plans & deadlines:**
  - taken seriously
  - change easily & often

- **Meeting schedules:**
  - strictly adhered to
  - never cut short for time

- **Task completion:**
  - single, sequential
  - multiple, simultaneous

- **Task priorities based on:**
  - previously set plans
  - strength of relationship

|| Key values: || immediate benefit || long-term pragmatism |
References


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