

Introduction to Cross-Cultural Negotiations



***Joint FAO Course
Phase I
Jan 2014***



Agenda

- **Introduction – 5min**
- **What are Negotiations? – 15min**
- **Influences/Terms of Negotiation – 25min**
- **Break – 5min**
- **Strategies – 15min**
- **Cooperative Negotiating Strategy – 15min**
- **Cross-cultural Negotiation – 15min**



Learning Objectives

At the end of this module FAOs will be able to...

- Define negotiation as a critical competency in today's complex environments
- Identify psychological and social barriers that prevent more effective negotiations
- Define and understand terms and concepts associated with negotiations: BATNA, Thin Slicing, Critical Thinking and Framing one's interests and more
- Explain barriers, hard ball tactics, anchoring, active listening
- Give examples of types of interests, trust, information, and power
- Describe the TIPO model for assessing and guiding selection appropriate strategy
- Describe the use of Negotiations Preference and Styles chart to provide strategy options
- Explain hard ball tactics, explain High/Low context culture, define typical American/military Behavior
- Describe evidence of verbal conflicts found in contemporary US/host nation negotiations
- Identify potential volatile situations and conflict management/de-escalation techniques



Presenter Biography



Presenter Information

Name: Dr. Stefan Eisen, COL (Ret) USAF

Experience:

- **Director, USAF Negotiation Center of Excellence, Present**
- **Dean of Academics, Air War College**
- **Commander, 737th Training Group (Air Force Basic Military Training)**
- **Commander, Air Force Reserve Officer Training Corps Headquarters**
- **Commander, 37th Flying Training Squadron**
- **Commander, Air and Space Basic Course School**

- **20 years aviation experience – teaching pilots from 26 countries**
- **10 years staff / support experience – missions to 9+ countries**



“Let us never negotiate out of fear. But, let us never fear to negotiate.”

**President John F. Kennedy,
Inaugural Address, 20 Jan
1961**

“In today’s DoD environment, your span of authority is often less than you span of responsibility. In short, you are charged with mission success while working with people you have no direct authority over.”

**Dr. Stefan Eisen, Director of
USAF Negotiation Center of
Excellence**



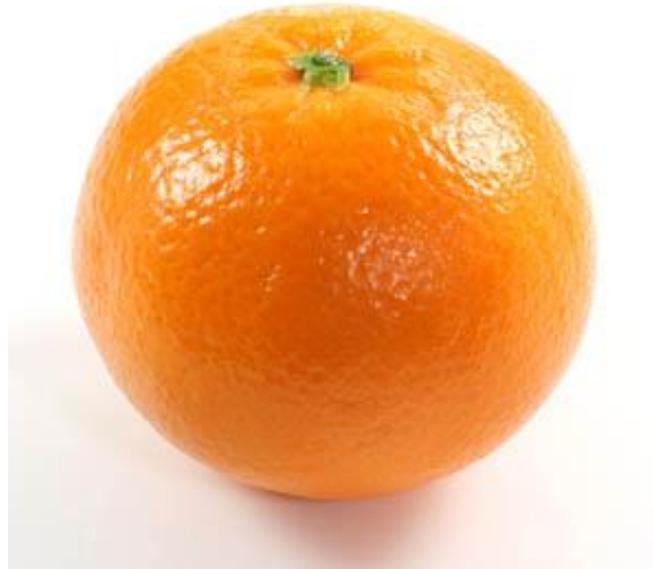
Agenda

- Introduction – 5min
- **What are Negotiations? – 15min**
- Influences/Terms of Negotiation – 25min
- Break – 5min
- Strategies – 15min
- Cooperative Negotiating Strategy – 15min
- Cross-cultural Negotiation – 15min



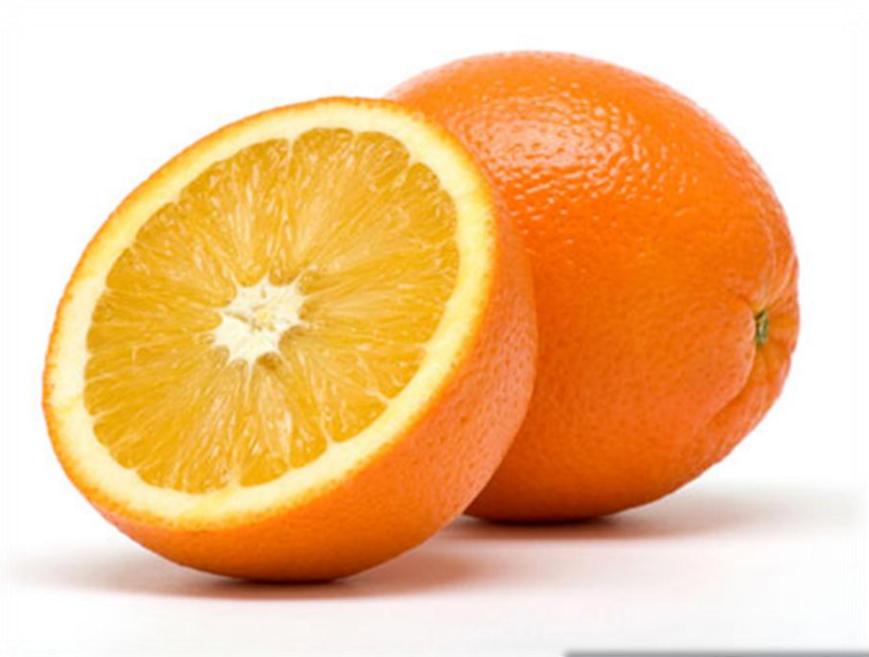
Mediating Interests

Let's Negotiate!





Mediating Interests





Please fill out the provided survey.

Read question and if you agree or slightly agree with the statement check the box

If not, leave unmarked.





Survey

Air Force Negotiation Center of Excellence

Negotiation Self Assessment

<http://negotiation.au.af.mil/>

1	Just coming to an agreement is the primary goal of negotiation									
2	I don't care how the other party feels about me; they need to give me what I need.									
3	I'm a team player, more comfortable in carrying out mission directives than being responsible for negotiating them.									
4	I am usually the quiet one during negotiations.									
5	Win - lose attitudes usually results in outcomes where both sides lose.									
6	No use getting worked up when trying to negotiate a tough issue; things usually work themselves out over time.									
7	I like working with guidance and getting the mission done rather than participating in negotiations.									
8	I'll listen to their ideas, but only if they really meet my requirements.									
9	The ultimate agreement is when everyone gets most of what they need, not necessarily what they want.									
10	Coming out of a negotiation as friends with the other side is more important than getting what I want.									
11	Rational discussions should guide a negotiation, not feelings.									
12	In a negotiation, I must usually go it alone to get what I want.									
13	I believe that we should always trust that the other side will do the right thing.									
14	A good negotiator explores all options, no matter how bizarre.									
15	It is good to have a reputation as a tough, demanding negotiator, people respect that and will listen more closely to their positions.									
16	It is a bad idea to start a negotiation by stating your position.									
17	Limiting the information I share with the other side and putting my spin on the delivery of that information is just part of being an effective									
18	The world is not going to end if my current needs aren't met. It's just not that important.									
19	It is a good idea to start with a firm position so you have something to maneuver from.									
20	Negotiations means you have to give some to get some.									
21	Drawn out negotiations is a waste of time. I adjust my opening bid just far enough away from their opening bid so we can quickly meet in the middle and get on with executing the deal.									
22	A fair negotiation is when both parties agree to split the difference and meet in the middle.									
23	I don't see myself as having the power, skills, or personality to successfully negotiate.									
24	Negotiators should tell each other up front what is most important to them.									
25	Negotiation is simply sharing what's on the table.									
26	Negotiations are distasteful to me because they are always too competitive.									
27	There are always some differences that can't be resolved. I am willing to make a deal even if it doesn't really solve my problem.									
28	I prefer leaving negotiations to others; I am flexible and have enough imagination to work with whatever deal is made.									
29	The more my position prevails, the more I feel the negotiation was a success.									
30	In a negotiation, a group derived solution is the best solution.									
31	Negotiation starts with demanding what you want but settling for what you have to have.									
32	It is more important to leave a negotiation with a good relationship than a good deal. I can always make up what I lose now in a later session.									
33	Negotiations = Compromise.									
34	Mission first, then I worry about people.									
35	It's not always bad for the other side to get things their way, they'll "owe me" next time.									
	SUM:									



Survey Results

- The column which has the highest number at the bottom indicates in general which of the five negotiating strategies you would likely favor.





Survey

Air Force Negotiation Center of Excellence

Negotiation Self Assessment

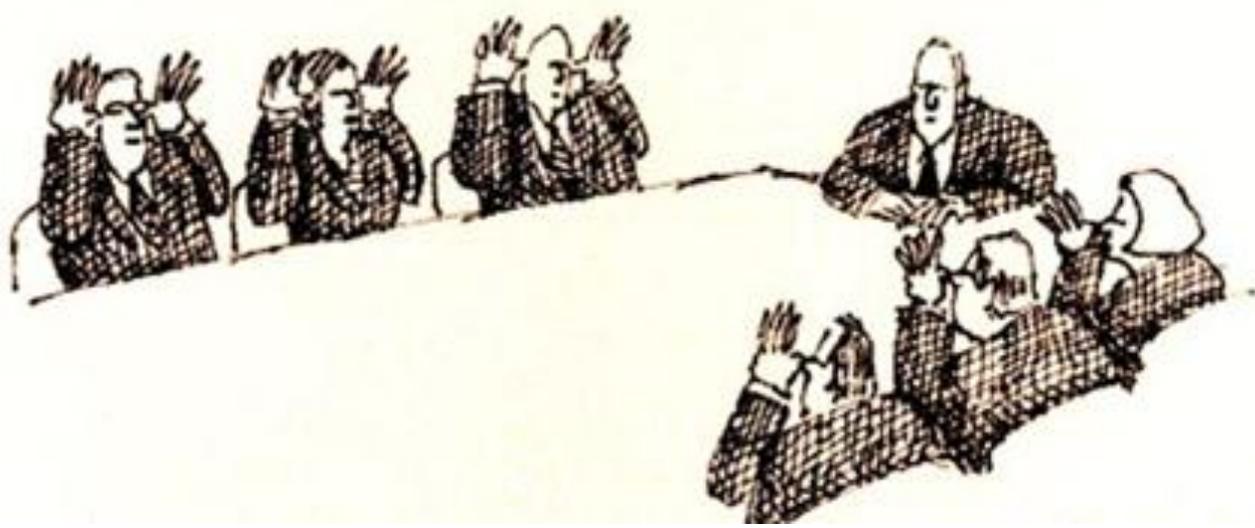
<http://negotiation.au.af.mil/>

Evade	Comply	Settle	Insist	Coop
-------	--------	--------	--------	------

1	Just coming to an agreement is the primary goal of negotiation								
2	I don't care how the other party feels about me; they need to give me what I need.								
3	I'm a team player, more comfortable in carrying out mission directives than being responsible for negotiating them.								
4	I am usually the quiet one during negotiations.								
5	Win - lose attitudes usually results in outcomes where both sides lose.								
6	No use getting worked up when trying to negotiate a tough issue; things usually work themselves out over time.								
7	I like working with guidance and getting the mission done rather than participating in negotiations.								
8	I'll listen to their ideas, but only if they really meet my requirements.								
9	The ultimate agreement is when everyone gets most of what they need, not necessarily what they want.								
10	Coming out of a negotiation as friends with the other side is more important than getting what I want.								
11	Rational discussions should guide a negotiation, not feelings.								
12	In a negotiation, I must usually go it alone to get what I want.								
13	I believe that we should always trust that the other side will do the right thing.								
14	A good negotiator explores all options, no matter how bizarre.								
15	It is good to have a reputation as a tough, demanding negotiator, people respect that and will listen more closely to their positions.								
16	It is a bad idea to start a negotiation by stating your position.								
17	Limiting the information I share with the other side and putting my spin on the delivery of that information is just part of being an effective								
18	The world is not going to end if my current needs aren't met. It's just not that important.								
19	It is a good idea to start with a firm position so you have something to maneuver from.								
20	Negotiations means you have to give some to get some.								
21	Drawn out negotiations is a waste of time. I adjust my opening bid just far enough away from their opening bid so we can quickly meet in the middle and get on with executing the deal.								
22	A fair negotiation is when both parties agree to split the difference and meet in the middle.								
23	I don't see myself as having the power, skills, or personality to successfully negotiate.								
24	Negotiators should tell each other up front what is most important to them.								
25	Negotiation is simply sharing what's on the table.								
26	Negotiations are distasteful to me because they are always too competitive.								
27	There are always some differences that can't be resolved. I am willing to make a deal even if it doesn't really solve my problem.								
28	I prefer leaving negotiations to others; I am flexible and have enough imagination to work with whatever deal is made.								
29	The more my position prevails, the more I feel the negotiation was a success.								
30	In a negotiation, a group derived solution is the best solution.								
31	Negotiation starts with demanding what you want but settling for what you have to have.								
32	It is more important to leave a negotiation with a good relationship than a good deal. I can always make up what I lose now in a later session.								
33	Negotiations = Compromise.								
34	Mission first, then I worry about people.								
35	It's not always bad for the other side to get things their way, they'll "owe me" next time.								
	SUM:								



The Process



The mediator sensed that the negotiations were in trouble.



Why Negotiate?

- Part of our everyday lives
 - *Who hasn't bought a car?*
 - *In the news*
- Culturally ingrained
 - *We began life using the insist strategy*
 - *Not intuitive-must be learned*
- Problem-Solving
 - *Weighing options*
 - *Balancing people versus mission*
 - *Conflict is good for us*





Negotiations

- A process involving two or more people/groups where:
 - *The parties have a degree of difference in positions , interests, goals, values or beliefs*
 - *The parties strive to reach agreement on issues or courses of action*
 - *Key for the military context: at least one of you is motivated to negotiate*





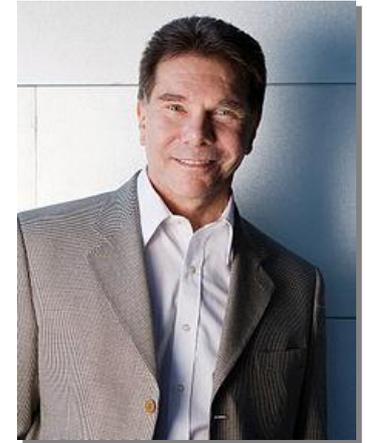
Agenda

- Introduction – 5min
- What are Negotiations? – 15min
- **Influences/Terms of Negotiation – 25min**
- Break – 5min
- Strategies – 15min
- Cooperative Negotiating Strategy – 15min
- Cross-cultural Negotiation – 15min



Robert Cialdini's Influencers

- Saying Yes without thinking (too much):
 - *Reciprocity-return favor*
 - *Scarcity-limited time only*
 - *Social Proof-keep up with the Jones'*
 - *Liking-persuaded by friends*
 - *Authority (People or Computers?)-"Cadillac dealership"*
 - *Commitment-honor even without a goal*



Too quick to Yes





The Arm Game

■ The Arm Game

- #1 *Pair up*
- #2 *No talking at this point*
- #3 *Take the “Arm Wrestling” position*
- #4 *Object is to touch the back of your opponent’s hand to the table as many times as possible within 45 seconds*





American Tendencies

■ American Tendencies

- *Doers and achievers*
- *Competitive / independent*
- *Informal with social and identity mobility*
- *Always looking forward – shaping the future / destiny*
- *Problem solvers – like to get it over*
- *Time resource to efficiently obtain an objective*





US Military Tendencies

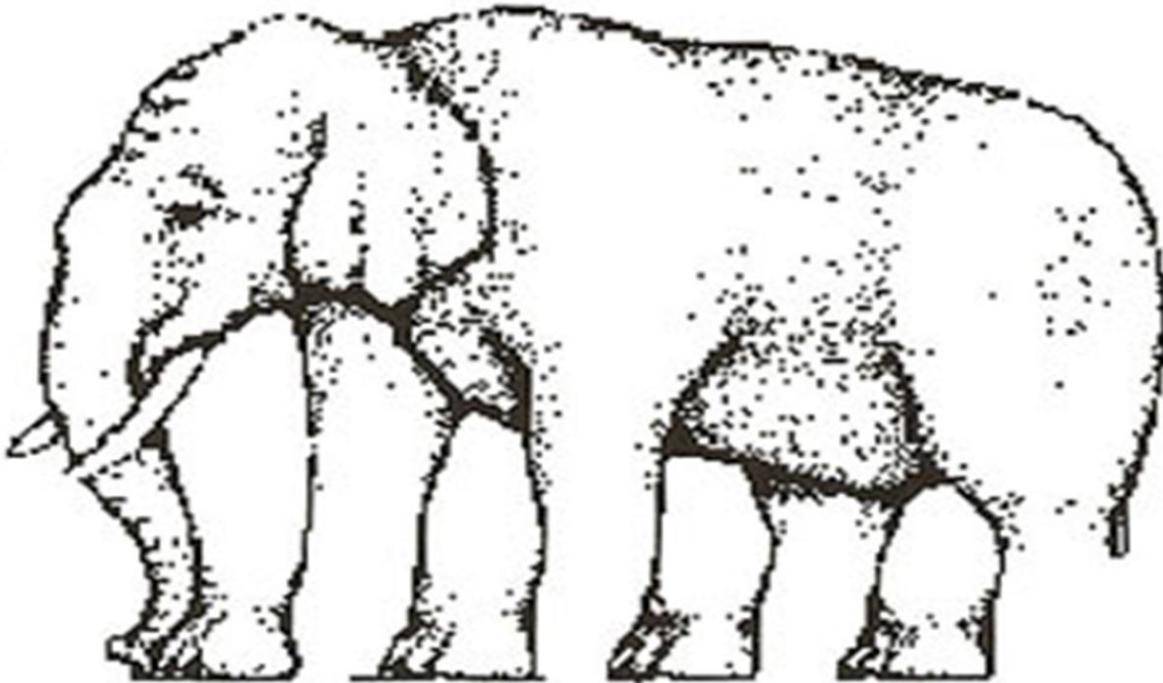
- U.S. DoD Negotiating Preference = Insistent
 - *Reinforced by doctrine, training and evaluation*
- Steeped in American competitive tradition
 - *“OK” with risk*
 - *Good skill to have*





Thin Slicing

- Remember?





A quick review – Slicing leads to bias

■ Triggers:

- *Age*
- *Ethnic Background*
- *Economic / Education Status*
- *Social Status / Specialty Codes*
- *Religious / Political*

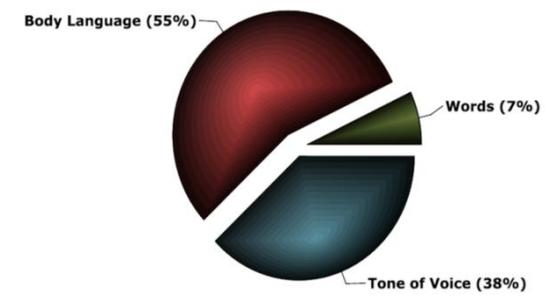




Importance of Non-Verbal Communications

- Remember the presentation on Cross-Cultural Competence?
- Key concepts to remember:
- Communication Barriers
 - *Conversational Narcissism*
 - *Interrupting*
 - *Pseudo-listening*
- Better communication skills
 - *Active listening*
 - *Cues on non-verbal behavior*
- Communication channels – space, time, etc.

Communication in Negotiation





Agenda

- Introduction – 5min
- What are Negotiations? – 15min
- Influences/Terms of Negotiation – 25min
- **Break – 5min**
- Strategies – 15min
- Cooperative Negotiating Strategy – 15min
- Cross-cultural Negotiation – 15min



Agenda

- Introduction – 5min
- What are Negotiations? – 15min
- Influences/Terms of Negotiation – 25min
- Break – 5min
- **Strategies – 15min**
- Cooperative Negotiating Strategy – 15min
- Cross-cultural Negotiation – 15min



Influence Game

- Pair up again
- 1st Person – 30 Seconds to decide what you would not do or buy
- 2nd Person – 2 minutes to convince number 1 to do or buy



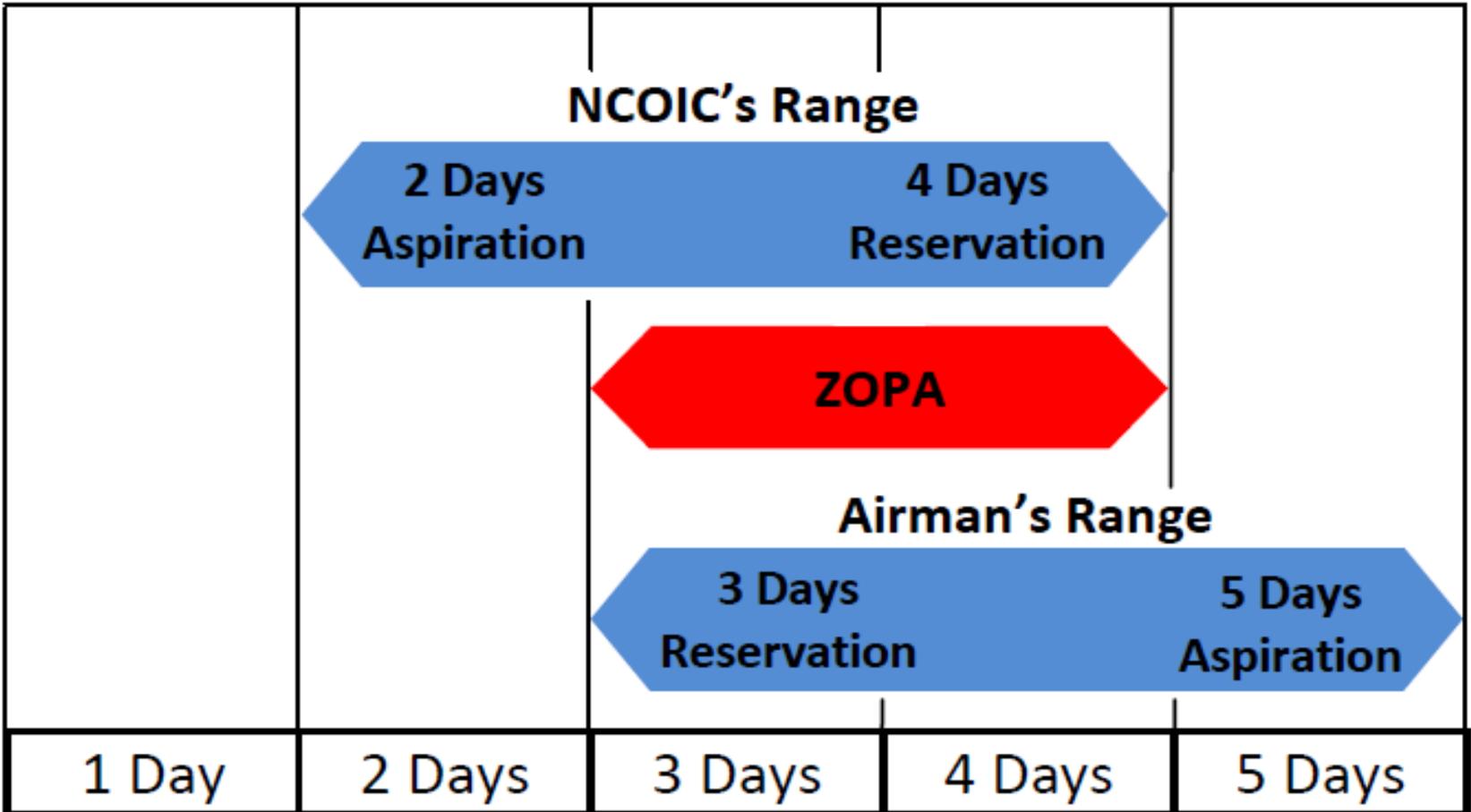


ZOPA

Aspiration Point – your best (rational) outcome

Reservation Point – your least acceptable outcome

Zone of Possible Agreement Bargaining Range (ZOPA) is the area between each party's aspiration and reservation points.





Types of Interests

- Psychological
 - *Interest in a non-material reward*
- Substantive
 - *Interest in material success*
- Procedural/Process
 - *Interest in establishing or reflecting logical sequence for a desired outcome*





Trust and Negotiating Strategies

- Greater the mutual trust-greater range of negotiating strategies available
- If information provided is questionable, decision on whether to use a 3rd party to validate
 - *May / will impact other party's approach to you*
 - *Influence negotiating strategy pursued*
- Rarely is there full disclosure





Power

- Power - the ability to control outcomes or gain desired outcomes
- Power comes in many forms to include:
 - *Expert-subject matter expert*
 - *Reward-the “carrot”*
 - *Coercive-perceived potential to harm/withhold reward*
 - *Legitimate-person/rank*
 - *Charismatic-respect or admiration*
- Power use:
 - *Power Over*
 - *Power With*



“The Mayor”





Framing Your Interest

Words Matter – State Interests rather than positions

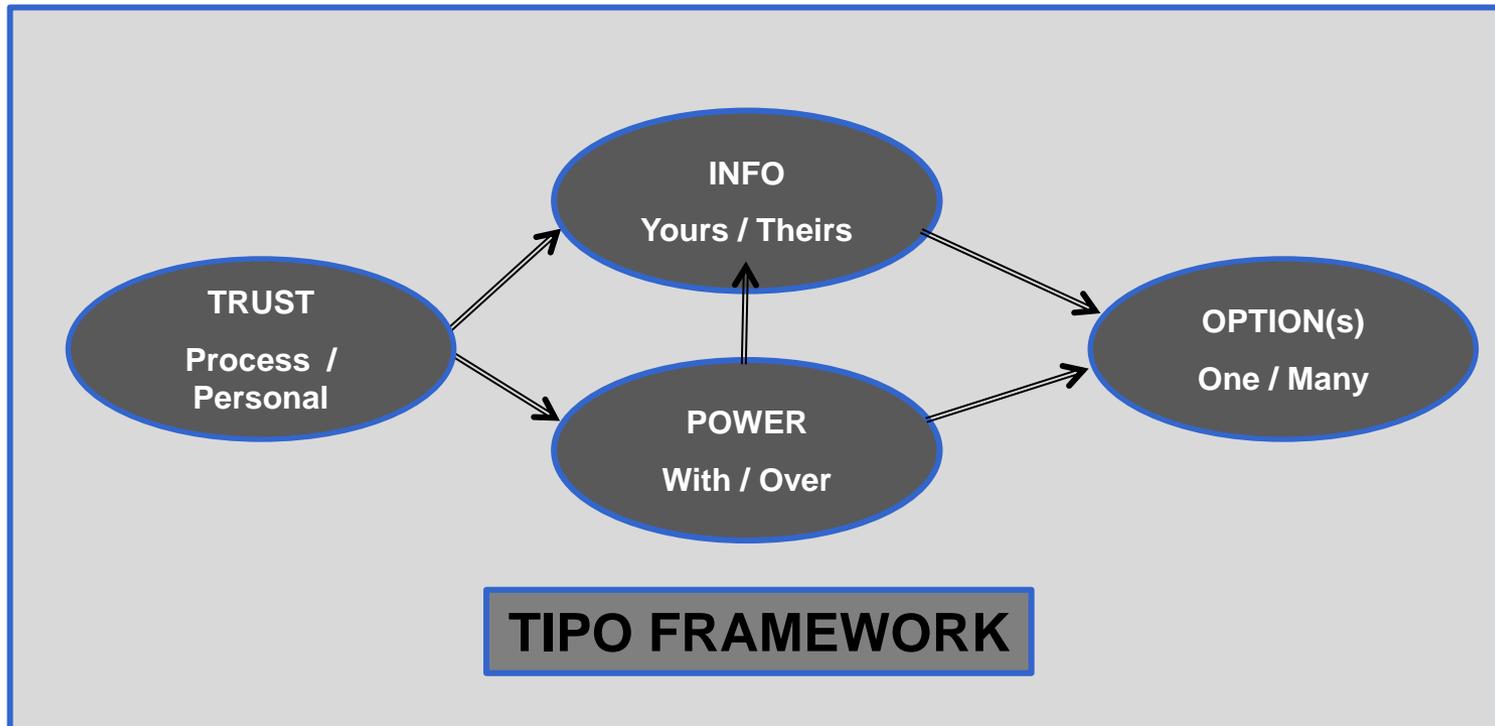
- Moderate the Request
- Power of Reference Points





TIPO Model – Analysis Process

Trust, Information, Power and Options (TIPO) models how trust influences use of information and power and how information and power influence options to solve problem





- Options - different ways to potentially solve the problem
 - *Define problem*
 - *Identifying possible resources (info, power, time, people, \$, etc.) to apply to problem*
 - *More resources, more options*
 - *More trustworthy information from and opposite, greater range of possible options*





Pause for the "Offer" Game





The Offer Game

- Several versions out there – take about 5 minutes each
 - *NOT a full negotiations exercise, but a bargaining exercise*
- Situation – there is an imaginary amount of \$\$ in the offer – NO other strings attached – treat each game as a “new” situation
 - *“Dealmaker” makes offer --- “Ratifier” can ONLY accept or refuse*
 - *If accepted, then the \$\$ are distributed according to the offer*
 - *If refused, ALL the \$\$ disappear and nobody gets anything*
- Rules / Process
 - *No talking! No body language!*
 - *“Dealmaker” writes down own the offer on a 3x5 card. Just the dollars they are willing to give the ratifier.*
 - *“Ratifier” marks “yes” or “no” as they desire, and returns it to the “dealmaker”*



Offer Game: Round 1

Dealmaker:

You have \$100 to do with as you wish.



Dealmaker:

You have **\$1000**
to do with as you wish.



Offer Game: Round 3

Dealmaker:

**You have \$1000 to do with as
you wish.**

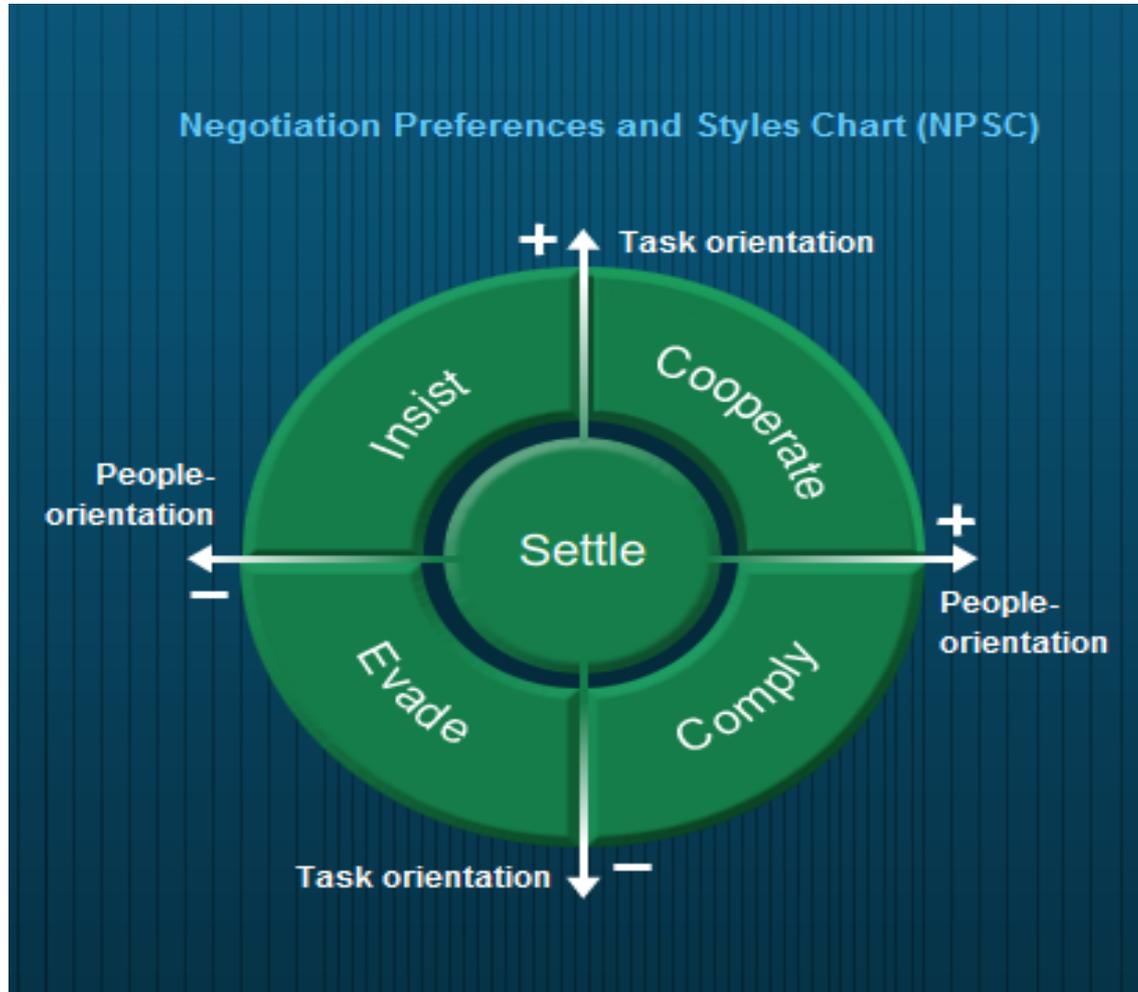


Review:

- **What is fair? Culturally bound?**
- **What happens with a lack of info?**
- **What happens when info is shared?**
- **Are decisions rational or emotional?**



Negotiation Strategies

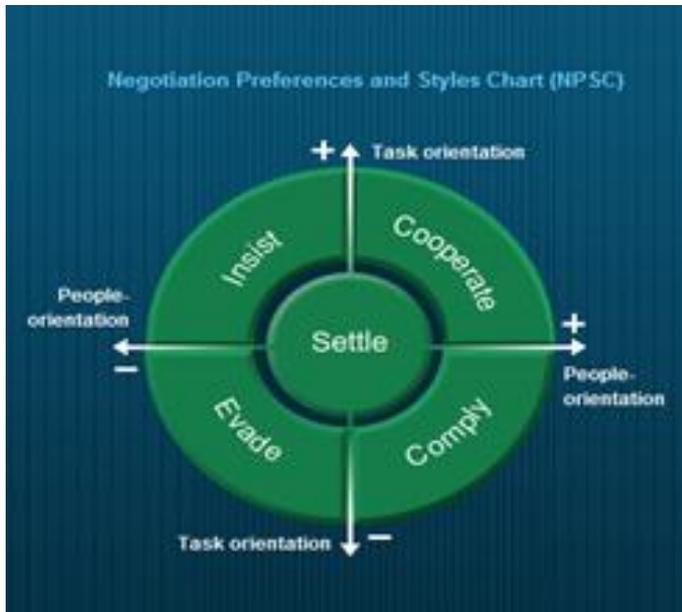




Insist Negotiating Strategy

■ Major Assumptions

- *Mistrust is inherent (or earned)*
- *Competition to divide fixed resources – defeat other side; maximize your benefits*
- *See the other side as an obstacle to the goal (or possibly enemy)*
- *Information is power, so it is hoarded and marshaled*
- *Options? Only one – YOURS!*
- *Mutual gain is threatened*





- Planning
 - Define the problem
 - Gather facts
 - Assemble the solution
- First meeting present the solution and back it up – marshaling of support, no search for answer
- Power used to pressure:
 - *Charisma*
 - *Expert*
 - *Reward*
 - *Coercive*
 - *Position*
- Insist Strategy is an essential skill
 - *Psychologically our idea is the “best one”*
 - *Tough to “adjust” to counter proposals*
 - *Quick, good in a Crisis, but there is always one “loser”*



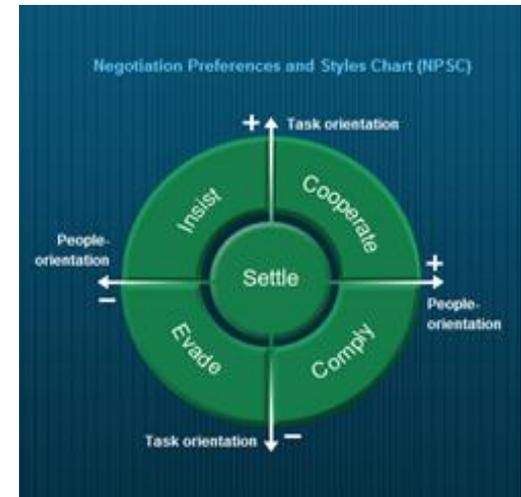
Possible Counterpoint: Evade Strategy

■ Pros:

- *Delays action until more information is gathered*
- *You have higher priorities to worry about*

■ Cons:

- *Does not resolve the conflict*
- *Someone else may make the decision for you*



“Not now, come back later”



Comply Strategy

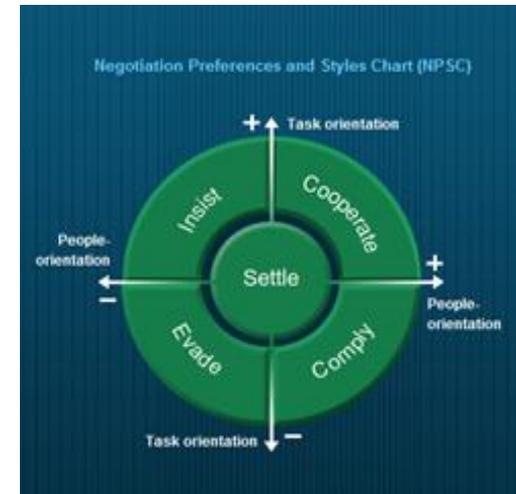
■ Pros:

- *Delegates the responsibility to the other person (builds points)*
- *Preserves the relationship at expense of the task*

■ Cons:

- *Preserves the relationship at expense of the task*
- *Too quick to comply may be seen as sign of weakness*

“Yes, let’s do it your way”





Settle Strategy

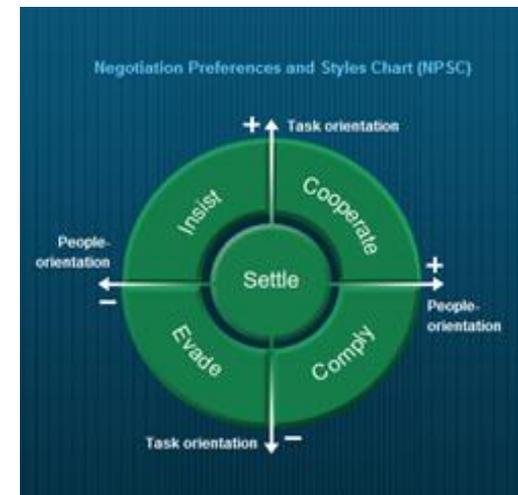
■ Pros:

- *Quick and efficient process*
- *Time is short, both sides get something*

■ Cons:

- *Splitting it down the middle may not be enough*
- *Severely limits options, reduces number of interests*

“Let’s split the difference and call it a day”





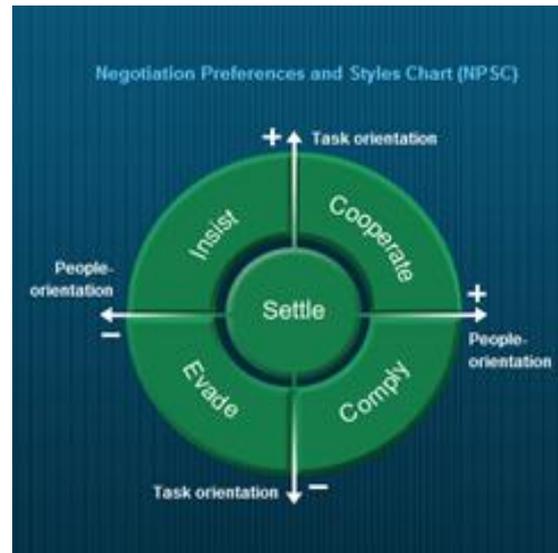
Agenda

- Introduction – 5min
- What are Negotiations? – 15min
- Influences/Terms of Negotiation – 25min
- Break – 5min
- Strategies – 15min
- **Cooperative Negotiating Strategy – 15min**
- Cross-cultural Negotiation – 15min



Cooperative Negotiating Strategy (CNS)

- Gather and share information (*trust*)
- *Sharing Information and Power* or Authority
- See *other side helping you* get a better answer than you could on your own
- More options than those inherently available





Cooperative Negotiating Strategy

■ Essential features

- *Focus on the problem / manage the relationship*
- *Discover positions/probe and prioritize interests*
- *Generate options*
- *Criteria for “best option”*
- *BATNA: Best Alternative(s) to a Negotiated Agreement – how might you (and they) go it alone?*





The CNS Process – Going In

- Establish two positions and interests
 - *Interests*
 - *Procedural*
 - *Psychological*
 - *Substantive or mix*
 - *Any outstanding questions*
 - *Active Listening*
 - *A need for Framing or Reframing?*
 - *Reflect throughout on communication*
 - *Consider a Best Alternative to a Negotiated Agreement*





The CNS Process – “The Meet”

- Meetings work at sharing information not defending / attacking positions
 - *Assumptions are validated or revised*
 - *Interests are identified and prioritized*
 - *Options are developed (not judged) – using Convergent Thinking (CT)*
- Brainstorming = Divergent Thinking
 - *More questions than answers*
- Integrate seemingly non-related items





CNS – conclusion

- Solution is the option (from all the proposed options) that best meets both side's top interests (Convergent Thinking)
- CNS usually gets a solution and usually executed
- Take the time to do it right and check the ego at the door





Contrast Positions/Interests



1978 Camp David Accord



- Israeli Position: control of the Sinai
- Egyptian Position: getting back the Sinai
- President Carter (at Camp David) – Revealed some key issues:
 - *Israeli interest-not land but security*
 - *Egyptian interest-land and 5000 year “territorial continuity”*
 - *Cooperative solution addressed BOTH interests-Sinai back to Egypt to “de-militarize” the peninsula*
- Third party helps validate (process trust)





Key Points

- Slow your usual process
- Recognize there are barriers
- Learn / Develop / Practice new skills
- Practice using the five strategies
- Apply Trust-Information-Power-Options (TIPO) concepts





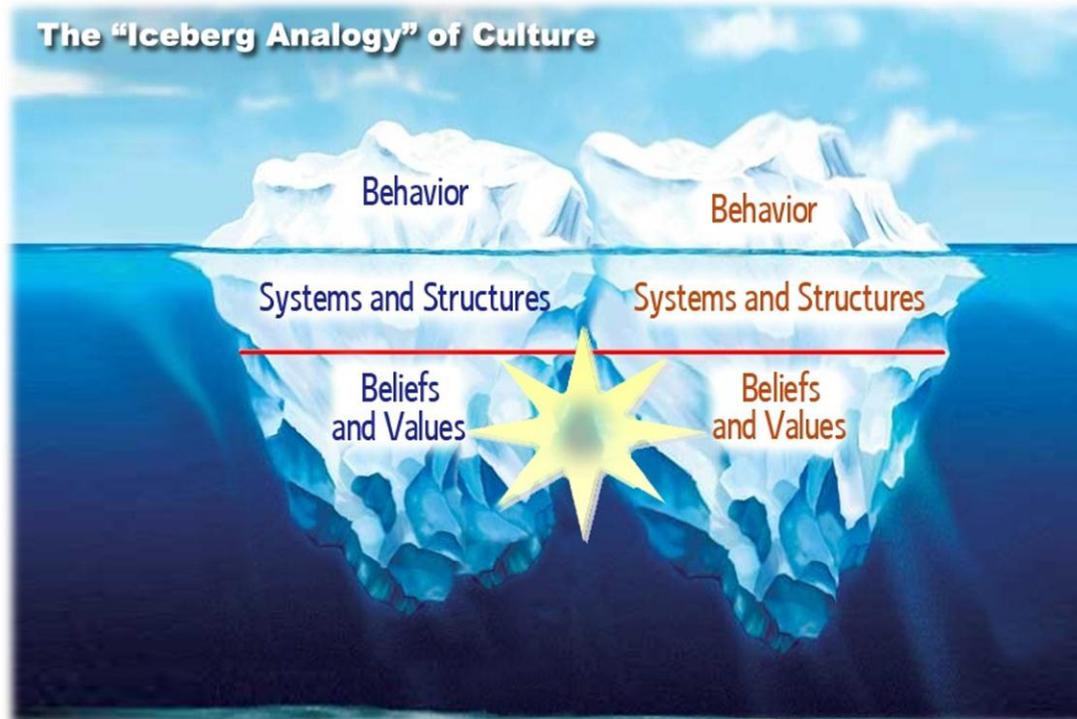
Agenda

- Introduction – 5min
- What are Negotiations? – 15min
- Influences/Terms of Negotiation – 25min
- Break – 5min
- Strategies – 15min
- Cooperative Negotiating Strategy – 15min
- **Cross-cultural Negotiation – 15min**



Considerations in Cross-cultural Negotiations

- **Conflict can result when different cultures collide and differences (beliefs and values) are hard to see**
- **With understanding, it becomes “differences”; without understanding, it is often “thin sliced” as wrong**





Culture's Possible Impact on Negotiations

- Let's review - Low Context (LCC) vs. High Context (HCC) Culture
- Rule of thumb although may not apply to all
 - *LCC more urban and industrialized*
 - *HCC more rural and agrarian*





Breaking world records is all the rage in China

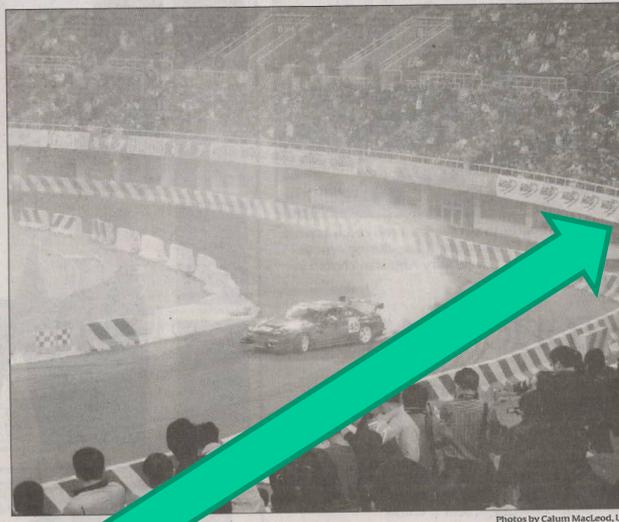
The 'most,' the 'longest' and the 'largest': Ordinary citizens strive for superlatives

By Calum MacLeod
USA TODAY

TIANJIN, China — Inside the "Water Drop" Olympic stadium, the pressure rises with a pall of tire smoke and the screams of fast cars, but driver Wang Qi stays calm.

"Even if I fail today, I will definitely break the record one day," he promises.

In a nation crazy for cars, Wang is intent on topping the world record mark of 7.572 feet for longest vehicle drift, or sideways driving, according to Guinness, an authority on



Photos by Calum MacLeod, USA Today

On the first day of the event, driver Wang Qi says of his attempts at breaking the world record for longest drift in the World Drift Series Tianjin Grand Prix.



Driven: Wang Qi wanted to top the world record for longest drift.

Group he chairs, a construction machinery giant, produces much of the equipment that powers the event.

gather in Xingcheng, Huludao, a swimwear-making hub.

"There were lots of pretty girls here," says Wang.

Wang says he has been driving since he was 15.

Wang says he has been driving since he was 15.

Wang says he has been driving since he was 15.

Wang says he has been driving since he was 15.

Wang says he has been driving since he was 15.

Wang says he has been driving since he was 15.

Wang says he has been driving since he was 15.

Wang says he has been driving since he was 15.

Wang says he has been driving since he was 15.

Wang says he has been driving since he was 15.

For their country, for their city, and *sometimes just for themselves*, more and more Chinese are chasing targets weird and wonderful with the same enthusiasm Americans have shown.....

...See more individual record attempts, I doubt China will ever overtake America as an American might tape himself to a wall, but a *Chinese might not be that crazy, and may fear losing face.*

The trend "shows Chinese people *are the same as people all over the world*, and they share a fascination for superlatives"

know want to do breaking records. me just to try,"
ty, for their city, just for them-
s have shown
st appeared in
ates remains the
h 5,187 records.
applications will
up the rankings
t seventh spot,
predicts Rowan
China president
id Records.
ws Chinese peo-
ne as people all
and they share a
superlatives." Si-
-ness is taking
population, at 1.3
t in the world. Its
er, China Central
, wins for "most
work," likely be-
cause the Communist Party
makes it hard for other channels
to compete.
Other records were set centu-

Most record challengers submit their bids for free online.
"In China, our tradition is to be humble. We're told, 'Don't try to be No. 1,'" says Dong, 42. "But the younger generation is more individualistic and confident than before. They want to stand out."
Besides social change, China's

try-specific.
"Although I couldn't move for over 20 years, I love to watch people realize their dreams and break a world record," says Zhang, 47, who is confined to his bed by disability.
record holder and 2010 Formula Drift champion.
"We're putting the fire in their eye," he says, vowing to reclaim the record.
Another Chinese stunt driver excelled this week on the hugely

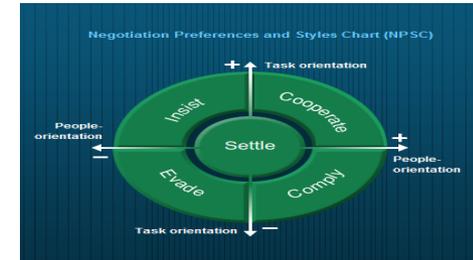


Cross-Cultural Negotiating Framework “Low Context” to “High Context”

- **Low Context culture = Informal, Egalitarian and Results Oriented (BLUF)**

- **Preserve society by what we do – ample social mobility**

- **Conflict is normal** – even celebrated
- More abundant resources / social mobility = easier to take risk
- Question authority and “Tilt the Machine” philosophies
- Learning from failure is key to “improvement”
- Time is used to “get things done”
- Stronger belief in the ability to control environments and destiny



- **High Context culture = Formal, Hierarchical, and Relationship Oriented**

- **Preserve society by how we care for others – restrained mobility – emphasis on harmony**

- **Conflict is the failure** of the social fabric that preserves harmony
- Less abundant resources / social mobility = less motivation to take risk
- Consensus reigns, but leadership directs. Careful to change something that’s worked for 5,000 years
- Learn by watching how consistency has ensured survival
- Time “shows respect” and “builds relationships” – With relationships, things get done
- Stronger belief that “other” controls environments and destiny

- **Bottom Line: With all good intentions, you might talk right past each other**



Summary

- **The leader environment calls for an adaptive set of negotiating skills**
 - **“Direct” negotiating needs deliberate augmentation by “Cooperative” skills (and others). Add tools to the kit.**

- **Things to consider**
 1. **American DNA – our low-context, task-oriented approach to life**
 2. **Military Culture – fundamentally a hard power culture, augmented (not replaced) by an array of soft power skills**
 3. **If Yogi Berra taught negotiations:**
 - “Negotiation is both art and science...but mostly practice”**

- **Things that are working for you**
 1. **Awareness is “.5 of the battle”**
 2. **Use any chance to deliberately develop an additive skill set – and self-assess**