

7-1-1999

Culture: the silent negotiator

Bee Chen Goh
Bond University

Recommended Citation

Goh, Bee Chen (1999) "Culture: the silent negotiator," *ADR Bulletin*: Vol. 2: No. 2, Article 3.
Available at: <http://epublications.bond.edu.au/adr/vol2/iss2/3>

This Article is brought to you by epublications@bond. It has been accepted for inclusion in ADR Bulletin by an authorized administrator of epublications@bond. For more information, please contact [Bond University's Repository Coordinator](#).



Culture: the silent negotiator

Bee Chen Goh

There are many 'culture sceptics' out there who think that acquiring cultural literacy in a cross-cultural negotiation is irrelevant, redundant and a pure waste of time. They cannot be blamed. After all, every negotiator is aware that the bottom line counts in a negotiation, particularly in a commercial negotiation. The common driving force in such a negotiation is profit, and profit does not discriminate on the basis of race, religion or gender. The thinking then, comes down to this — if a negotiator is profit-driven, then that negotiator cannot be seen to be playing another game with a different set of rules.

However, quite often these culture sceptics are proven wrong. Culture does play a significant role in a negotiation. Its role, particularly in a cross-cultural negotiation, cannot be ignored. Negotiation, after all, is as much about establishing ventures as preventing or avoiding associated disputes. A lack of cultural literacy really is not a case of 'ignorance is bliss'; it is more a case of 'ignorance is perilous'.

To put it simply, culture is a collection of our habits. Our thoughts, beliefs and actions, consciously and subconsciously, are shaped and dictated by our own cultures. We tend to take for granted our habitual ways of doing things. Usually, the only times we take cognisance of our own cultural habits are when our ordinary patterns of behaviour surprise others, notably the members of a different cultural group.

For instance, in Australia, going out for meals to a 'BYO' is very common. The average Australian would probably take this habit for granted. But many foreign visitors who are from Malaysia, Singapore or Thailand, for example, would have to ask, 'What does 'BYO' mean?' This is a simple example, no doubt, but it illustrates the need to acquire relevant cultural literacy in order to smooth one's existence in social or commercial interactions in unfamiliar settings.

The focus of this article is on cultural literacy pertaining to a Sino-Western negotiation. More narrowly, it touches on an aspect of Chinese culture, feng shui, and its relationship with numbers, which can play a powerful but subtle role in a negotiation. In many senses, numbers can make or break a negotiation. Culturally, for the Chinese, encountering a 'wrong' (that is, inauspicious) number can lead to negotiation deadlocks or failures, or unwittingly create disputes.

Feng shui literally means 'wind and water'. It represents an integral part of the traditional Chinese way of life. Its main emphasis is the preservation of harmony — the Chinese believe that if human beings orientate their lifestyles according to feng shui principles, there will be peace, harmony, health and wealth.

Critics have sometimes said that feng shui is pure superstition. Be that as it may, its role in a commercial negotiation is very significant. What is more, a Chinese negotiator who is a feng shui believer may expect you to understand his or her motivations for not concluding the deal.

The fact that feng shui has a part to play in the negotiation failure is often unarticulated. This is not an uncommon phenomenon in cross-cultural negotiations; because our decision-making is often governed by our accustomed habits (or culture) in subtle and subconscious ways, we are often not aware of their power. Hence the importance and relevance of acquiring cultural literacy.

Returning to the role played by feng shui in a Sino-Western negotiation, the following examples using numbers may help to highlight the significance of culture, the silent negotiator, in achieving deals and obviating potential conflicts.

As a preliminary point it should be pointed out that in every society and in every culture an individual may be conscious of the impact of numbers on his or her daily existence. In Western ➤

'Negotiation ... is as much about establishing ventures as preventing or avoiding associated disputes. A lack of cultural literacy really is not a case of "ignorance is bliss"; it is more a case of "ignorance is perilous".'



'... feng shui, and its relationship with numbers, which can play a powerful but subtle role in a negotiation. In many senses, numbers can make or break a negotiation.'

➤ culture too some numbers are considered taboo. For example, the number 13 is almost always regarded in a negative light.

A further caveat is also necessary: a cross-cultural negotiator must understand that these likes or dislikes are not universal and that the important thing is to discover and discern the predispositions of one's negotiating counterpart.

The number four is easily the most shunned number by the Chinese. This probably has nothing to do with the number itself — what is considered taboo is the fact that 'four', when pronounced in Mandarin, Cantonese or Hokkien, is homophonic with 'death'. The Chinese go to great lengths to dissociate themselves from virtually anything that has 'death' connotations. The number four is, therefore, regarded as highly inauspicious and unlucky. In commercial transactions, this cultural influence is illustrated by the following examples:

- Some years ago, Alfa Romeo launched their new model 164 in Taiwan. The company was shocked by the lack of buyer interest, but it then discovered that the problem was due to the presence of 'four' in the model series number. It changed the model number to '168' and relaunched it. The car sold like hot cakes, not only in Taiwan but in Hong Kong as well.
- A banker of the National Australia Bank recently pointed out that her Chinese clients declined term deposits at the bank when the account numbers had fours in them. The bank avoided a potential conflict by responding in a culturally sensitive way with new account numbers.
- Real estate agents have reported that it was a waste of time for them to show houses with a street number of four to potential Chinese buyers. To accommodate this, the Brisbane City Council announced in late May 1994 that new streets would not carry house numbers ending in 'four'.
- When entertaining Chinese clients at business meals, try not to seat them at a table number with a four in it, as they may feel uncomfortable. Such a negative mood is likely to make them psychologically more prone to conflicts. Conversely, the number eight is regarded

as a very auspicious number. It sells itself, so to speak, with the Chinese in general. If one sees a car on the street with '888' on the car registration plate, one is likely to find an Asian driver. The real estate industry has found that houses with an eight in their street numbers appeal to Asian purchasers. Years ago, a high profile company in Malaysia borrowed 88 million ringgit, because it considered this particular amount to be lucky.

The foregoing examples illustrate how cultural beliefs can shape, mould and influence our negotiation in subtle but real ways. Possessing cultural literacy is prudent in our globalised environment, and even more so in an economic climate geared towards the vast Chinese market. Building business relationships is important, but equally so, appropriate cultural literacy helps to prevent disputes. After all, numbers do count. ●

Bee Chen Goh (PhD) is an Associate Professor at the School of Law, Bond University. She can be contacted on 07 5595 2016.

contributions

1999

Contributions to The ADR Law Bulletin for 1999 are welcome.

Please submit articles or notes in file format on diskette or as email attachments to:

Prospect Media Pty Ltd
Editor,
Elizabeth McCrone,
Level 1,
71-73 Lithgow St,
St Leonards NSW 2065

Ph: (02) 9439 6077
Fax: (02) 9439 4511

email:
elizabeth@prospectmedia.com.au

Copy should preferably be presented as a text file on a 3¹/₂ inch floppy disk accompanied by a hard copy printed from that disk, or as an email attachment.