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Business Negotiations Between American and Vietnamese Businesses: The Influence of Proxemics and Site Setting on Negotiation Outcomes

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Abstract

Vietnam is becoming an increasingly inviting market for foreign investment. However, working with foreigners and expanding business abroad can be risky for all parties involved. The diversity among business cultures frequently leads to confusion, misunderstanding, and failure in cross-cultural endeavors. It is therefore important to study business negotiation in a cross-cultural setting. This paper addresses nonverbal communication during negotiations between Vietnamese and American businesses. The proxemics within traditional Vietnamese companies are examined, with specific consideration given to the choice of negotiation site and the room arrangement of that site to further determine how American people perceive them and how these factors might affect the negotiation process.

The term globalization is often used to describe the increase of interactions and integration among people, corporations and governments around the world. Many nations have adopted policies to open their economies both domestically and internationally, to support free-market economic systems, and to highlight their potentials to create additional opportunities for international trade and investment.

Vietnam is one such country that has sought to present itself as an attractive target for foreign investment, international technology transfer, and job placements. According to a 2011 globalization report published by Ernst & Young and the UK Economist Intelligence Unit ("VN's globalization," 2011), Vietnam has launched itself into the top 50 globalized economies and as a result received considerable inflows of foreign capital. More and more companies and businesspeople are looking toward Vietnam a promising option.

However, working with foreigners and expanding business abroad can be risky for all parties. When business executives from all over the world gather in face-to-face meetings to establish joint ventures or negotiate contracts, communication problems may arise. Different cultures with different rules can hinder the business process in the most unexpected ways. The diversity among business cultures frequently leads to confusion, misunderstanding, and failures in cross-cultural endeavors. There is hence a need to study business negotiation in a cross-cultural setting.

Among the investing countries, the United States has always been on top of the list, with a strong strategic partnership for years and more than ten billion U.S. dollars in 2012's registered invested capital (Burghardt, 2012; Vietnam Report, n.d.). Numerous studies have been conducted to consider given to the choice of negotiation site and the room arrangement of that site to further determine how American people perceive them and how these factors might affect the negotiation process.

There are two guiding research questions for this paper, from which two hypotheses are employed.

- RQ1: How do American negotiators perceive the role of location in a cross-cultural negotiation process?

Traditionally, Vietnamese people prefer to hold meetings in their own territories, which can be their offices or familiar locations. An office is usually set up strategically to facilitate the negotiation process. Vietnamese people utilize feng shui in their room settings, and/or place significance in the choice of negotiation site and the room arrangement of that site.

Moreover, because members of different cultures often have very different standards, they use the accepted forms of etiquette and protocol of the culture in which they live and work (DuPont, 1997); hence in this case, American people may accept the location that Vietnamese people choose. Therefore, it is hypothesized that (H1) American negotiators find it agreeable to meet in the locations that the Vietnamese partners choose.

- RQ2: How do American negotiators perceive the role of physical arrangement in a cross-cultural negotiation process?

Vietnamese people tend to arrange meetings in an intimate area, where visitors are treated as welcome guests. However, the room is usually set up so that there are distinctive differences between the host's seat and the guest's, which allow the host to seem more in control of the situation than the guests. H2 is formed to evaluate Americans' perceptions of such a setting in a Vietnamese company or meeting location: (H2) American negotiators find the physical arrangement in a Vietnamese location less than preferable for a successful negotiation.

Literature Review

Business Negotiations

Business negotiation is a crucial leadership and management skill, needed in a wide range of business contexts, and is highly essential to the implementation of business strategies (Ghauri, 2003). Business negotiation can include, but not be limited to, deal-making, employment, management talks, contract signing and issue solving. Business negotiation involves a large portion of problem solving, where both or all parties try to find a mutual
understanding and willingness to work together and arrive at a solution to a common problem (Chu et al., 2005). Therefore, business negotiation is more than just a discussion; it contains true understanding and persuading as parts of the negotiating process.

Both intracultural and intercultural business negotiations involve representatives from different organizations working to find an agreeable solution. However, intercultural negotiations face more difficulties in reaching such a solution. As Suni et al. (2013) mentioned, culture plays a critical role when it comes to negotiation. Representatives from different cultures hold differing cultural values, have contrasting decision-making processes, and have incongruent perceptions of nonverbal behaviors. Success in the international business arena requires that one knows and understands the basic features of negotiation, as well as the value differences in all involved cultures.

Proxemics

Proxemics is a more abstract part of nonverbal communication. Edward Hall (1960) was one of the first people to study people's spatial needs and perceptions, and coined the word "proxemics" as "the interrelated observations and theories of man's use of space as a specialized elaboration of culture" (p. 1). His research into this field has led to new understanding about our relationships with others.

Even though it was introduced almost six decades ago, both communication scholars and negotiators often overlook proxemics. It has, nevertheless, a subconscious contribution to the tone and mood of negotiations, and influences negotiators' preferences and decisions (Lewicki & Litterer, 1985). It is hard to analyze how people perceive these subtle cues, since most people do not actively voice their opinions about settings, nor do they recognize that the setting has an impact on their negotiation process. What makes it even harder to study proxemics cross-culturally is that different cultures have different ways to set up environments, preferences and interpretations of these cues. Hence negotiators who understand the differences and utilize them to their advantage are more likely to achieve their goals in business negotiation than those who neglect the proxemics elements.

Location

As discussed by Bottom (2003), a classic example of how undermining the importance of location failed a negotiation was the Treaty of Versailles, which was one of the peace treaties held by the Allied victors at the end of World War I. The negotiation ended the slate of war with Germany. This negotiation was organized in France, in a city that had recently been under siege by the Germans. Later this site was deemed to be a crucial error ruining the negotiation. French public opinion was negative, which led to a wave of angry people arriving outside the negotiation site, which acutely disturbed both negotiating parties. The location made the negotiators nervous and exhausted, which eventually contributed to the lose-lose outcome of the treaty.

Site selection is considered a critical element that influences both negotiating parties. The example underscores the importance of location and site selection strategy. Particularly, site selection can affect the ability to achieve communication goals, the psychological climate, space and time availability, information flow, agenda setting, and communication channels (Knapp & Hall, 2001; Mayfield, Mayfield, Martin & Herbig, 1998). Negotiators should be conscious of its impact and choose the site that serves the purpose and desired mood.

Neutral Territory

Typically, people distinetively think that they would be more comfortable in their own territory and less comfortable in the opponent's turf. Therefore, when looking for a more agreeable site for both parties, Western negotiators tend to prefer a neutral setting to prevent any favorable conditions the host may have (Mayfield et al., 1998; Spoelstra & Piënaar, 1999). A neutral site has high psychological significance for both parties because neither side owns it or is overly acquainted with it, and would have an upper hand even before the real negotiation starts. A neutral site can also assist conflict avoidance and make it more convenient and culturally sensitive for both parties. Nonetheless, even though a neutral site is agreeable, it is not a favorable option for American negotiators. Chu and colleagues, in their 2005 study on silent messages in negotiation, found that fewer than 40% of negotiators surveyed felt confident when negotiating outside their own territory (Chu, Strong, Ma & Greene, 2005).

Nowadays, with the increasing use of electronic communications, neutral territory can also mean a virtual territory. Instead of physical meetings, more and more companies are adopting teleconferencing, videoconferencing, emails, or phone communication. Vietnamese companies also follow this trend and hold some of their meetings virtually. This innovative way of communication can save negotiators from the psychological stress of working in an unfamiliar zone, and also from the time and efforts of traveling. Moreover, research has shown that electronic communication can create a more favorable environment for decision making (Mayfield et al., 1998), save travel time and expenses when the two parties live far apart (Rothwell, 2012).

However, virtual communication requires more time than face-to-face to develop positive social relationships, which can affect the decision quality (Rothwell, 2012). Additionally, virtual territory and electronic communication may not work as well cross-culturally. Many countries, including Vietnam, use high context cultures that have a more indirect style of communication that is heavily based on context and nonverbal cues (Ashwill & Diep, 2004). Without seeing each other face-to-face, it is very hard to read between the lines and avoid ambiguity. Therefore, electronic communication between Vietnamese and American should be used only when a certain level of trust and understanding has already been established, or to set the stage before the final decision-making meeting is held at a physical site.

Own Territory

Negotiating in one's own territory is the option that most American people desire as a negotiation site. Chu and colleagues (2005) pointed out that 69% of negotiators believe that the party that designates the negotiation site has an advantage in negotiations, and 71% find it more comfortable to negotiate in their own turf.

The hosting party can benefit in their own territory from both internal and external factors. Internally, the host has control over the location and protocol, which leads to less psychological stress, more dominance behaviors, and less likelihood to conform than visitors (Altman, 1975; Mayfield et al., 1998). Externally, the ability to arrange the meeting and adapt to the needs of the other party can help elevate the host's image and enhance the relationship, thus encouraging the other party to be less pushy and to more easily accept the host's proposition (Benoliel, 2011). Nevertheless, while the hosting party receives a dual advantage negotiating on their own turf, inviting the other party to their place is not always possible, especially with Vietnamese business people, who mostly prefer meeting at their own place.

Other's Territory

Vietnamese business people usually invite their partners to the office to do negotiations, not only because they realize the aforementioned benefits of being host, but also because this is part of the culture. Vietnamese people usually enjoy showing their hospitality, building relationships, and seeking rapport, even in business. In Vietnam, success in business is based not only on skills, experience, and values, but also on whom one knows. Relationships precede everything. Vietnamese people may not do business with someone they do not know thoroughly (Ashwill & Diep, 2004), which is why doing business in Vietnam is less like an American mindset of a partnership, but more of a friendship.
While going to an American company seems too strict, formal and uncomfortable for most Vietnamese, inviting Americans to their own place is a way to welcome the expats, help the parties to get to know each other, and slow down the Western business pace. Even though the environment may be too relaxed for Americans, it is when the Vietnamese people get their first ideas about their potential partners, and those ideas can influence the negotiation outcomes.

Coming into another's territory poses difficulties for many, including Americans. It has been researched that more than half of negotiators feel a greater challenge when negotiating in the other side's turf (Chu et al, 2005). However, Mayfield and her colleagues (1998) argued that there are certain advantages of being a guest. First of all, the overall hospitality of the host can give the guests warm sentiments and lessen frustration. Moreover, just as the Vietnamese want to know more about the other sides, it may be necessary for the Americans to see firsthand the host company's facilities, personnel and capabilities, to see if they meet expectations and are able to reach the business goals. Lastly, visiting the other's turf may show the guest's concern and interest, as the host can save time, money, and work in a more comfortable environment.

Physical Arrangement

As the location has an important impact on the quality and outcome for a negotiation, so does the physical arrangement at the site. Benoliel (2011) described such an arrangement in Charlie Chaplin's movie The Great Dictator. In one scene, Mussolini was invited to see Hitler, and Mussolini was arranged to enter through an end door that was far from Hitler's desk. Mussolini had to walk through the enormous room, feeling small in this great space. In addition, Mussolini's chair was specially made so that it was extremely low compared to that of Hitler, making him look up to the latter. Both of the tactics were designed to belittle Mussolini and empower the Fuhrer, giving Hitler an initial advantage for the meeting.

Many studies have been done to explore the effect of physical settings on communication and social interaction. Rubin and Brown (1975) noted that the physical arrangement could influence the psychological climate of social interaction, as well as set the degree of formality and tension for the participants. Knapp and Hall (2001) also argued that people both influence and are influenced by the environment. The surroundings have the ability to produce feelings and alter people's perceptions.

Hall (1966) categorized the dimensions of physical arrangement in the environment as (1) fixed-feature space, and (2) semi-fixed-feature space. The first category refers to space organized by established boundaries, such as rooms or closed spaces. The fixed-feature space acts on people's preferences on spatial zone and distance with others during social interactions. The second category of semi-fixed-feature space refers to the arrangement of tables and chairs. Within the scope of business negotiation, this category refers to the seating arrangement and furniture arrangement at the negotiation site.

Both of these categories have a profound impact on communication behaviors (Knapp & Hall, 2001).

Space and Distance

People have certain patterns in deciding their comfortable distance when they interact, and this distance varies according to the person's background, culture, social norms, and the nature of the social interaction. Moving too close is considered invading a person's expected zone distance, which can result in extreme discomfort, and negative thoughts and feelings, which will not serve any party's interests (Hall, 1966).

Hall (1966) identified four types of distances, which are intimate, personal, social, and public. Among them, a business negotiation, as with many other business communication processes, would fall into the social zone. The zone measurements are not fixed from country to country, but as mentioned by Hall (1966), are culturally conditioned. Hall grouped countries in which people tend to stand closer, teach more, and exhibit more physically intimate behaviors into high-contact cultures. In contrast, low-contact cultures are those in which people interact more indirectly and enjoy a wider distance between them. America has been found to be a moderate-contact culture, where the distance preference is to a lesser degree, while many Asian countries, especially East Asian countries, are low-contact cultures (Hall, 1976; Ting-Toomey, 2012).

For American people, social distance is defined as a bubble of four to 12 feet around the communicators. In its far phase, which happens in communication with people one does not know well, the distance is from seven to 12 feet. Physical barriers, such as tables and other furniture, are used to make people keep this distance. On the other hand, the close phase, which happens in communication with acquaintances, only has the distance of four to seven feet. The interaction in this phase tends to be less formal (Hall, 1966).

On the other hand, not many studies were done on Vietnamese people's social distances. Bui (2009) and Le (2009) each conducted a survey on a small scale, with 30 and 50 Vietnamese respondents respectively, to understand the conversational distance between businesspeople during negotiations. The data from their studies showed that most Vietnamese people enjoy the distance of four to seven feet when meeting business acquaintances. The results held true regardless of the parties' gender (i.e. if it was a same-sex or cross-sex encounter). Their findings indicated that even though Vietnam is an Asian country, it is a moderate-contact culture, and the distance preference during business negotiations is very similar to that of American people.

Seating Arrangements

Pease (1981) stated that strategic positioning in relation to other people is an effective way to get cooperation. The default arrangement can have an effect on the position chosen (Knapp & Hall, 1978) while the way that one party chooses to position him or her self can reveal his or her perception and attitude toward the other party (Pease, 1981). In 2005, Chu, Strong, Ma and Greene conducted a survey of nonverbal communication in business negotiations with more than 80 participants from many countries, including Americans whose first language is English. All of the participants had previous negotiation experience. In accordance with previous studies, in Chu and colleague's survey, 75% of the respondents explained that seating arrangement should get more attention from negotiators, as they deemed it important for a satisfactory negotiation.

Several factors were found to have influence on seating arrangements, proximity, bodily orientation and the nature of the relationship (Sommer, 1965). While proximity and bodily orientation are conditioned by the intuitive, aforementioned distance preference, the nature of the relationship is related to one's perception of other people. Sommer (1965) conducted naturalistic observation and conducted questionnaire study of seating preference. He found that a cooperative relationship or a competitive relationship would make people choose seats differently.

Sommer's research found that in cooperative relationships, side-by-side seating was preferred, while in competitive relationships, face-to-face seating was used with a larger distance between parties. Sommer argued that oppositional seating might induce less conversation and reflect a desire to obtain more information about the other competitive party, rather than a wish to form a friendly relationship. Lewicki and Litterer (1985), in their book Negotiation, also supported Sommer's findings when concluded that the more competitive the parties were, the greater physical distance from one another. They also stated that competitive parties were more likely to place tables or other furniture as barriers between them to prevent each other from invading their territories.

Figure 1: The Corner Position
As described by Pease (1981), there are four basic seating positions in an office environment with a standard rectangular desk. In each of the arrangement, A represents the host, or whoever arrives at the site first, and B represents the visiting party, or whoever arrives later. When sitting at other desk shapes (i.e. round or oval desks), the observed distance preferences stay almost proportional to those of rectangular desks (Knapp & Hall, 2011). Therefore, we can generalize the seating positions from the ones described below.

Figure 1 shows a corner position seating arrangement. As Pease (1981) stated, communicators choose this arrangement to create a friendly and casual atmosphere, thus increasing the chance of a favorable negotiation. In Knapp and Hall (2001)'s observation of American seating behaviors in a task-oriented situation, this position is the second-most favorite position for conversations, with only 4% behind the opposite (face-to-face) position.

Figure 2: The Cooperative Position

Figure 2 shows the cooperative position, which is often known as “siding with the opposition.” Knapp and Hall (2001) observed that this arrangement is the most preferred position for people who work on the same task, when the desire for cooperation elicits a side-by-side choice. Pease (1981) agreed that this position would work two people who are mutually oriented and have similar points of view.

The close distance between the two parties makes it easy for them to share information and documents during meeting. It is a strategic arrangement for presenting ideas and having them accepted. Nonetheless, this arrangement may not work if A and B are not already acquaintances, because it causes B to invade A’s territory, and can cause B to develop negative feelings toward A.

Figure 3: The Competitive/Defensive Position

Figure 3 shows the competitive/defensive position. This position is the one most observed for both conversational and competitive tasks in Knapp and Hall (2001)'s research. It is the dominant choice for competing parties. Pease (1981) explained that sitting across the table creates a defensive, competitive atmosphere because the table acts as the solid barrier between the parties. When sitting in this position, each party subconsciously divides themselves into two equal territories, which makes them stand firmer on their points of view and reduces the chance of a successful negotiation.

Furthermore, if this position is not situated at a neutral location, the visiting party may have a significant psychological disadvantage (Pease, 1981; Lewicki & Litterer, 1985). It would make B think that A deliberately took the “power” seat and reserved a distance to sit directly across from them to show A as more superior.

Figure 4 shows the independent position. This is the position taken when both parties lack interest in each other and do not wish to interact (Pease, 1981; Knapp & Hall, 2001). It occurs, for example, when two strangers take seats at a table in a library. Naturally, this position should be avoided when an open discussion is needed.

Figure 4: The Independent Position
Many studies found that a choosing position is not done intuitively, but negotiators actively pick specific seats to show their status to the other party. Knapp and Hall (2001) observed that leaders and dominant personalities were more likely to choose seats to reinforce their status. Anderson (1993) agreed when he stated that leaders tend to take more space, so that they appear to be in charge.

Additionally, Johnson (1993) said that negotiators intentionally pick the "power" positions, such as a delegated seat, head of table, or back against a wall to make them feel more confident. The power position is different from the chairperson position, when the role of the chairperson is understood or implied among the meeting participants, and the seat is reserved for that person to facilitate the meeting flow.

The power seating position, on the one hand, is taken by an individual who wants to wield personal power. This power seating position was described by Pease (1981) to have the ability to raise status and power through the seat's size, height and location. He concluded that the higher the back of the chair, the greater the status of the person is perceived. As royal members choose to have a higher back on their chairs, the subjects regard their statuses as higher as well.

Another common power play is adjust chair height, with the impact emphasized even more in the competitive position. If the host's seat is adjusted to have maximum height compared to the visitor's, the host can put the visitor at a subconscious disadvantage, as mentioned previously in the example of the movie The Great Dictator. The chair power play is an impactful seating arrangement strategy to create a certain atmosphere in the office (Pease, 1981).

In addition to the chair positioning, it is also noteworthy that the shape of desk at the negotiation site also has an impact on the negotiation process. Even though a rectangular desk is usually used at meetings, Chu and colleagues (2005) found that a round table actually encourages better meeting facilitation. In this study, 54% of respondents stated that they prefer round tables in negotiations, as 57% believed that the round shape can help ease tensions and 53% deemed that it can make the atmosphere more conducive for discussion.

**Figure 5: Round table for initial informal meetings**

While some research has been conducted on seating arrangements in the United States and many other countries, including Asian countries such as China and Japan, little research has been done on how Vietnamese people make seating arrangements. However, many recommendations, mostly based on feng shui principles, have been made to Vietnamese business people, showing them how to make the best out of a negotiation.

A number of companies still practice these feng shui principles. At the early stage of any business advancement, there are usually informal meetings, which Vietnamese people use to get acquainted to their potential partners. At these occasions, small round tables such as that in Figure 5 are often used to reduce the distance and to make everyone seem equal (XZone, 2012).

**Figure 6a/6b: Seating Arrangement for Official Meetings**
During official meetings in Vietnam where major decisions are to be made, it is suggested that a rectangular desk be used (XZone, 2012), as illustrated in Figures 6a and 6b. Figure 6a shows the seating arrangement where the host party is taking one side of the table, and leaving the other side for the visiting party. The host’s most important member is seated in the middle, with the support of subordinates coming from both sides. All seats in the 6a arrangement are identical, the only distinction being that the hosting party faces the entrance, while the visiting party members have their backs against the entrance. Figure 6b also shows the seating where each party takes one side of the table, but the host’s most important member takes the head-of-table seat. In this case, the host’s seat is advised by many feng shui practitioners to be bigger and higher, with a higher back and armrests, and most preferably facing the entrance and against the wall (Too, 2006).

Discussion

Location

Research has shown that most Americans prefer negotiating in their own territory, have less preference for negotiating in a neutral territory, and have least preference for negotiating in the other’s territory. They find a greater challenge when negotiating outside their own territory, and that makes them less confident delivering their viewpoint (Chu et al., 2005). However, they usually not only find themselves doing in business in another country, but also outside their home office. As Vietnamese people traditionally invite expats to come to their offices to meet, negotiate, and get acquainted, American businesspeople have to practice negotiation in the opponent’s territory.

The aforementioned psychological pressure, in addition to the tiredness of traveling, and the stress of communicating and adapting to another culture, can make the negotiation process undesirable for American people. Moreover, a Vietnamese host seems to have a greater advantage even before the negotiation starts. Not only have they the ability to arrange the meeting to increase their strength, they can show their hospitality, thus gaining the American’s appreciation, as well. Altogether, the situation makes the Americans feel less comfortable and makes it more difficult for them to counter the host’s viewpoint when being a visiting party.

Nevertheless, instead of emphasizing the host’s “power” to sway the visitors to comply, the Vietnamese people use the opportunity to get to know each other and, hopefully, create a long-lasting relationship. Even though the relationship building seems foreign in a business setting, especially to American people, Americans can nonetheless enjoy the hospitality, feel welcome in the new country, and have an opportunity to lessen the frustrations. Moreover, as Mayfield and colleagues (1998) mentioned, if negotiators actively inspect the host’s facilities, personnel and capabilities, the negotiators can see if the host’s business meets expectations, and can gain initial knowledge of the potential partner.

To review, H1 states that American negotiators find it agreeable to meet in the locations that the Vietnamese partners choose. With the discussed points, H1 is partially supported by the reviewed literatures. While the negotiation site at the other party’s turf can make it uncomfortable for American negotiators at first, the hospitality of Vietnamese people can induce warm sentiments. Furthermore, if the Americans know how to utilize this chance to learn more about the other party, and to build a strong network for future business opportunities, the location can be to their advantage. Therefore, this paper concludes that the American negotiators indeed find it agreeable to meet in the locations that the Vietnamese partners choose.

Physical Arrangement

As for the space and distance dimension, it has been shown through much research that the social distance of American people is the same as that of the Vietnamese (Hall, 1966; Bui, 2009; Le, 2009). Since a person’s social distance preference influences how that person sets up the surrounding space, designing rooms and working areas, it is most likely that the Vietnamese room spatial setting is very close to American style. Therefore, it can be inferred that the spatial expectations during business negotiations of the two parties are somewhat the same, and the fixed-feature space (the room setting) of a Vietnamese location is acceptable to American people.

On the other hand, there are two types of meeting occasions that call for different seating arrangements in a typical Vietnamese negotiation process, as described by XZone (2012). The first type is an informal meeting, which is used for both parties to get to know each other. In this case, the social space is reduced significantly since the tables are usually small with a number of seats around as in Figure 5 shown previously. The purpose is to create a cozy, friendly atmosphere, which would ease any business tension and bring forth a relationship initiation. The round table choice seems to serve the purpose with Americans, as Chu et al. (2005)’s research stated that most people prefer round desks at meetings, as they believe it creates a better overall environment.

However, the small size of the table can be problematic. It forces people to stay closer together, at a less than a preferable social distance. American people may expect this closeness in a later stage of their partnership, when business is in progress and they understand the others better. Hence, Americans may find this approach to be a bit strange, and the physical closeness may be deemed as an invasion of personal space, which can cause discomfort and negative sentiments toward the Vietnamese party. Moreover, since all of the seats are identical with equal heights, a dominant person does not have the option to select a preferred seat and will have to comply with the host’s arrangement. While these issues may not be problematic if both parties know each other well, during the early meetings, if the American people have dominant personalities, or if they are not culturally sensitive, they may form a bad impression that can eventually impact the negotiation outcomes.

During the later stage of business negotiation, when a formal, decision-making meeting is called for, a rectangular table with bigger, heavier chairs is often used, as illustrated in Figure 6a and 6b. In both cases, there are prearranged positions for the two parties. As mentioned earlier, this lack of
choice for seating can cause a dominant American to develop unfavorable feelings toward the host. Furthermore, this arrangement puts negotiators in the competitive position. Pease (1981) concluded that this position makes the two parties more conscious of their arguments and more likely to reject the other’s, thus reducing the chance of a successful negotiation. Another flaw of this arrangement is that the Americans have to work in the opponent’s territory, which would put them at a remote psychological disadvantage and give the hosts an upper hand (Pease, 1981; Lewicki & Litterer, 1985).

In the Figure 6b situation, the host’s seat also adds to this psychological pressure. The host’s seat is advised to be bigger, higher, and placed at a better positioning than every other chair (Too, 2006); it is perceived by Americans as a type of power play to put other people at a subconsciously lower level (Pease, 1981). This lining up, on one hand, gives clear superiority to the host, emphasizes his ideas and may sway the outcome to his favor. On the other hand, it may give the visitors the idea that the hosts are not sincere enough to make a fair negotiation, as they deliberately empower themselves and may appear to belittle the visiting party. Altogether, it can be concluded that the Vietnamese seating arrangement (semi-fixed-feature space) may be perceived negatively by Americans, and this perception can hinder a successful negotiation outcome.

Consequently, H2 is supported. To review, H2 states that American negotiators find the physical arrangement in a Vietnamese location less than preferable for a successful negotiation. Between the two factors of physical arrangement, the Vietnamese fixed-feature space is preferable to the Americans, while the semi-fixed-feature space is proved to be less than favorable. The author thus concludes that Americans find the overall physical arrangement in a Vietnamese location less than preferable for a successful negotiation.

Limitations and Suggestions

This study is subject to an apparent limitation in that it is based upon a literature review. Much of the referenced work is from more than ten years ago, which makes its validity to the present arguable. Moreover, the literature for Vietnamese setting and preferences is slight, including very few academic research studies. The two Vietnamese studies referred in this paper had relatively small samples, which make them harder to be generalized to the bigger Vietnamese population. However, despite the limitation, this study sheds light on the importance of proxemics in business negotiation, and how American people perceive the traditional Vietnamese settings. It can help Vietnamese businesspeople to consciously arrange their places to meet the other party’s expectations, and facilitate a better outcome for the negotiation.

This research does, however, set the stage for empirical research in which data can be collected from the business worlds of both American and Vietnamese people to test the older research’s results and update more academic information for Vietnamese settings. Future research can administer surveys to Vietnamese and American businesspeople that have experience in negotiation to understand their perceptions and preferences. Research can also survey American businesspeople who do negotiation in their homeland and those who negotiate in Vietnam to see if there is any clear difference in the perceptions of proxemics or outcomes of the meetings. The study needs to enhance its validity and generalizability, and to make a more meaningful implication to business practitioners.

Conclusion

It can be seen that even though not everyone realizes the influence of proxemics on negotiations, the negotiation location and physical arrangement may have a direct impact on how American and Vietnamese people perceive their potential business partners and ultimately on the outcome of the negotiation. This research found that the American negotiators find it acceptable to meet in the locations that the Vietnamese partners choose. While the negotiation site at the other party’s territory can make it somewhat uncomfortable for Americans, the hospitality of Vietnamese people can induce warm sentiments, and Americans can use this chance to learn more about the capability of their partners. It is also concluded that American people regard the overall physical arrangement in a Vietnamese location as less than preferable for a successful negotiation.

More research is needed, however, to gather data from real world of both American and Vietnamese businesspeople to fully understand the role of proxemics in business negotiations, to improve the validity and generalizability, and thus overcome the shortcomings of this present study. Since more and more American businesses are investing in Vietnam, it is crucial for American and Vietnamese businesspeople to make the best out of the negotiation process, and to benefit both economies.

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