

# THE ETHNIC PECULIARITIES OF THE NEGOTIATION PROCESS

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**Abstract.** The *purpose* of the article is to determine the influence of ethnic and cultural characteristics on the successful outcome of the negotiation process. The study is based on an understanding of the cultural component of the negotiation process, national, ethnic stereotypes and the formation of national style on their basis. An important aspect to consider is the influence of cultural sensitivities on the course of negotiations, which should lead to a positive end result. *Methodology.* The paper used the methodology of general scientific and interdisciplinary research. The authors of the article applied methods of analysis and synthesis, research, and description. A number of scientific works on intercultural negotiations and the influence of ethnic and cultural characteristics on the negotiation process were analyzed. The result of the analysis of the cultural factor in negotiations showed that culture as a social category, covering the mentality, habits, traditions of a particular social group, directly affects the behavior and motivation of the participants in the negotiation process. In this context, national stereotypes (the generalized image of representatives of a particular nation) are of great importance in the parties' perception of each other. These collective traits can be both positive and negative, but more often the stereotypes are negative. Therefore, it is important for participants in intercultural negotiations not only to study, but also to understand the ethnic and national characteristics of their partners, to be able to change their perception of the other culture and not to base their attitudes and actions on purely national stereotypes. Although cultural differences can make joint decision-making difficult, this factor can also have a positive impact on the end result of negotiations. More attention is paid to common interests, and as a result, the likelihood of reaching consensus is higher when the parties have strong cultural differences. In addition, an important factor influencing the conduct and outcome of negotiations is the interpreters, whose role should be not only language skills, but also the cultural context of the negotiations. *Practical meaning.* Cultural analysis of the negotiation process is an important element in the training of negotiators and can be the key to success in achieving mutually beneficial results. *Value/originality.* Learning and understanding ethnic and national characteristics and styles is an important factor in successful negotiations and in creating favorable decision-making conditions that can satisfy all parties to the negotiation process.

**Key words:** culture, negotiation process, ethnic features, intercultural negotiations, international negotiations, national stereotypes.

**JEL Classification:** D91, F51, J52

## 1. Introduction

Each person's ethnicity influences his or her mentality. Mentality is expressed in the attitudes and actions of each participant in the negotiation process. The peculiarities of different cultures influence the behavior of individuals in international negotiations and manifest themselves in diplomatic relations.

Diplomatic tools are important in the negotiation process, especially in the era of globalization, when many countries do not view global warfare as a means of conflict resolution. Culture often influences

negotiations, as do countless other elements. The question arises what might be the impact of culture on negotiations, on creating unexpected opportunities to resolve disputes, and on removing obstacles to reaching agreement (Garcha, 2007).

International negotiations reflect the complexity of negotiation with the addition of cultural diversity. To negotiate successfully, it is extremely important to check your own cultural style in advance for appropriateness and for strategies or behaviors that could negatively affect the atmosphere. This requires

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an in-depth understanding of negotiating styles with people from other cultures (Kammhuber, 2010).

It is through a proper understanding of national styles that the most effective negotiation tactics and strategy can be chosen. Proper preparation can dramatically affect the negotiation process from the beginning to the final decision. When studying the negotiating styles of different countries, one often looks at national and ethnic stereotypes, but a much more important factor in effective negotiations is the ability to change one's stereotypical thinking about other cultures.

Without this understanding, cultural diversity makes effective communication difficult. Because people from different countries perceive, interpret, and evaluate the world differently, it becomes very difficult to explain their needs and interests in a negotiated communication in a way that all parties can fully understand each other. But when communication becomes more complex, it can become easier to create mutually beneficial options.

Achieving mutually beneficial options requires the recognition and use of differences. If cross-cultural differences are recognized, articulated, and misunderstood, they can become the basis for mutually beneficial solutions. This requires a negotiating approach and tactics that use cultural differences as a resource rather than an obstacle to the negotiation process, allowing international mediators to increase the benefits to both sides (Todorova, 2007)

Thus, learning and understanding different cultures is important not only because it can greatly influence the negotiation process itself, but also because it can be a key element of mutually beneficial outcomes.

## **2. The connection between culture and negotiation**

Culture is a broad concept that describes basic things of human mentality and behavior, such as language, tradition, ideology, attitudes and style. Negotiation, in turn, is part of human problem-solving activities that focus on peaceful means of dispute resolution.

Culture is a quality not only of individuals, but also of the society of which they are a part. Culture is acquired through a process of socialization between individuals and society. Therefore, each culture is a unique set of attributes that encompass every sphere of social life (Garcha, 2007).

Negotiation is the process by which groups and individuals attempt to resolve misunderstandings and disputes that may arise from their interactions (Chance, 2011).

In this context, negotiations can be seen as a manifestation of culture, since they embody a certain code of conduct oriented toward civilized ways of resolving disputes (Garcha, 2007). Culture reflects the shared norms, beliefs, and values of people in

a social group and determines how people perceive negotiations, identifying which strategies and behaviors are appropriate for a particular cultural context (Mor, Semnani-Azad, Zhale Z, Toosi, Shan, Amanatullah, 2019).

The influence of cultural factors on the negotiation process is often under-estimated. Other factors, such as national, political and specific organizational interests or the balance of power, prevail over the cultural aspects.

In fact, the negotiation process is determined by many external influences, and there is such a thing as international agreement on how international nonnegotiations should take place. However, this ignores the fact that any negotiation is also a social encounter, during which people constantly communicate with each other. The actors in the negotiation process inevitably bring their culture's specificities into the negotiation model. In the absence of a standardized negotiating culture, there is a high probability that culture-specific norms, values and rules will begin to be established. This can provoke misunderstandings or conflict, ultimately leading to an undesirable outcome (Kammhuber, 2010).

## **3. National and ethnic stereotypes**

Given that culture is a social category, stereotypes are part of our everyday lives and influence our judgment and behavior toward others. Cultural stereotypes held by negotiators can have a significant impact on their decisions and behavior, as well as on the process and outcome of negotiations. Stereotypes can tell us about a person's perceptions, and a person's perceptions can tell us about the stereotypes they have (Semnani-Azad, Sycara, Lewis, Adair, 2012).

Ethnic stereotypes are simplified, schematic, emotional and extremely static images of any ethnic group, which are easily extended to all its members. At the heart of ethnic stereotypes, which in many ways provoke ethnic conflicts, is the division of people into groups. Stereotypes are based on various characteristics (positive, negative and neutral) attributed to different groups of people (racial, ethnic, gender, etc.). Unfortunately, ethnic stereotypes are often overgeneralized, vague and mostly negative (Lozhkin, Poviakel, 2006).

A national stereotype is an averaged image of a person of a certain nation in terms of his character traits and behavior. National style of negotiation is the features of national character and culture, the most common features of thinking, perception and behavior that affect the process of preparing and conducting negotiations (Kakhovych, Levchenko, Makarenkina, 2011).

The American national stereotype is characterized by democratic and pragmatic thinking. But Americans tend to be fairly straightforward, use pressure in

negotiating a joint solution, and are not prone to strict adherence to the stages of negotiation and formalities (Kakhovych, Levchenko, Makarenkina, 2011). Although American businessmen have a reputation as the most unscrupulous business people in the world, they are in many ways the easiest to deal with. This is because Americans strive to earn as much and as quickly as possible, using tools such as hard work, speed of action, and power (including the power of money itself) to achieve this goal. This purposeful pursuit of profit by Americans is often perceived as ruthlessness (Pshyk-Kovalska, Kara, 2012).

During business meetings and negotiations, Chinese participants pay great attention to two main elements. First, they pay close attention to gathering information about the subject under discussion, as well as about the negotiating partner; second, to forming a "spirit of friendship". The Chinese attach great importance to the establishment of friendly informal relations with foreign representatives (Kakhovych, Levchenko, Makarenkina, 2011). As for the contribution of the parties, the Chinese often provide material goods and the foreigners provide technology, the best of which the Chinese try to provide at the lowest cost.

The Chinese negotiator may knowingly or unknowingly use any of the 300-year-old "Thirty-six Stratagems," which offer tactics for use in politics, war, and civil interaction. Strategies that are characterized by deception, military stratagems, can be grouped into six broad categories, namely: stratagems against the stronger (the winner), stratagems of equal force (conflict), stratagems attacker (direct attack), stratagems to confuse the enemy (chaos), stratagems to achieve advantage, stratagems of stalemate situations (Chance, 2011).

The French national stereotype has had a significant impact on the formation of diplomatic protocol and etiquette in the world. Before entering into a business relationship with French firms, it is necessary to clearly define the purpose of the relationship. The French do not like the use of English or German in business communication with them, believing that it limits their sense of national dignity (Pshyk-Kovalska, Kara 2012).

The French do not like compromise, so they are prone to conflict during negotiations and, without looking for a compromise solution, may enter into an argument. A feature of the French national stereotype is that the French try to avoid formal "one-on-one" discussions. They pay great attention to preliminary agreements and prefer the opportunity to discuss some issues before negotiations (Kakhovych, Levchenko, Makarenkina, 2011).

As for the cultural peculiarities of the negotiation process of Ukrainians, they have certain peculiarities in the preparation and conduct of political negotiations. For example, Ukrainians prefer face-to-face meetings to distance communication to resolve important issues.

If an agreement on a meeting is reached, it is customary to confirm it with a phone call about an hour before the appointed time.

During negotiations Ukrainian politicians show tolerance, ability to compromise and goodwill, but on the other hand they can be too emotional and impulsive. According to foreigners, during the "official" part of negotiations Ukrainian representatives behave quite reservedly, but in general the nature of business communication in Ukraine is more emotional than in other countries, and the political environment is no exception. Researchers also consider unpunctuality and the use of not always correct arguments to be signs of the Ukrainian style of negotiation (Vahina, 2021).

#### **4. Successful result of intercultural negotiations**

The main goal of negotiation is to reach mutually agreed upon results. In a successful negotiation, the interests and needs of both parties are recognized and met, which means a win-win for both parties. Mutually beneficial options emerge as a result of 1) understanding the real interests, values, and needs of both parties; 2) identifying areas of similarity and difference; and 3) creating new options based primarily on the differences between the two parties. The basis for creating mutually beneficial options is to identify the interests that are more valuable to one side than to the other and to use those differences as a source. Particularly in intercultural negotiations, there is much more room for finding and forming mutually beneficial options than in monocultural situations because of the differences inherent in the parties (Todorova, 2007).

The negotiator must be aware of the culturally conditioned expectations of the negotiating parties regarding the situation and the negotiation process. Therefore, it is necessary to create a negotiating situation in which all parties can cooperate on a mutually beneficial basis. The ability to change perceptions is one of the most important factors for success. The more intensely the interests of the other culture and their causal patterns are studied, the more likely it is that when a conflict of interest arises, alternative solutions will be perceived and used in the interests of both parties (Kammhuber, 2010).

National stereotypes play an important role in creating the conditions for decision-making in the negotiation process. In addition to influencing intercultural negotiators' perceptions of the nature and tactics of negotiations, stereotypes can also cause negative prejudice against participants with a different culture and positive perceptions in a group of negotiators with a similar culture.

Although stereotypes can evoke both positive and negative feelings about a particular social group, negative attitudes toward another group are much more common.

This is because people tend to pay more attention to people or events that are new and unique or different from their usual culture. Because interaction with members of another group is quite rare and at the same time culturally unacceptable behavior is rare, people tend to overestimate the connection between belonging to another social group and negative behavior. This leads to an illusory correlation between the other group and undesirable behavior, reinforcing hostility and negative perceptions of a member of the other group.

Consequently, because of group bias and illusory correlation, intercultural negotiators are more likely to have negative perceptions of one another than are negotiators in a single-cultural context. This is why participants' ability to change their approach to other cultures and avoid unfair biases is an important factor in successful negotiations (Semnani-Azad, Sycara, Lewis, Adair, 2012).

However, this strong perception and division between "our" and "foreign" culture can not only complicate the negotiation process, but, on the contrary, can be the key to a successful outcome. Researchers believe that the closer people are ethnically, the more significant are their differences in views of the situation and ways of solving problems. And therefore, the more ethnically different the contracting parties are, the more meaningful the consensus will be for their representatives. If the interests of the parties coincide, national differences usually are not noticed, but in a situation of conflict they begin to play an important role (Todorova, 2007).

Interpreters are a necessary element of successful negotiations, the importance of which is often underestimated. Their role in the negotiation process is often limited to language translation. However, it is the interpreters who know the specific cultural connotations of expressions and can explain them to both sides when linguistic translation is no longer sufficient. They can directly influence the behavior of negotiators or change wording to avoid misunderstandings or violations of etiquette. Limiting such highly qualified interpreters to routine translation work is a waste of valuable resources. Choosing a culturally competent and reliable interpreter is extremely important, and this factor can be key to the successful outcome of the negotiation process (Kammhuber, 2010).

## 5. Conclusions

Culture is an important element of negotiation because it determines the attitudes of negotiators in addition to the context, process, and outcome of the negotiations themselves. Cultural factors can hinder the relationship as a whole, complicate, delay, and even destroy specific goals if there is otherwise some basis for cooperation. To use intercultural approaches effectively requires training, education, and experience to learn to move beyond one's own cultural stereotypes and misconceptions.

By providing training in cultural diplomacy, many significant problems can be prevented. Without such training, international negotiators rely heavily on their subjective cultural assumptions. These cultural assumptions are heavily influenced by the national stereotypes of different countries.

Stereotypes are structures that include knowledge, beliefs, and expectations about a particular social group. Stereotypes influence perceptions, limit personality, guide behavior, and evoke positive or negative emotions about a social group.

When negotiators perceive their partners only through the prism of ethnic stereotypes, actors will attribute to themselves motives characteristic of their common culture without examining specificity and cultural differences, and will essentially not engage in effective dialogue, but instead negotiate with themselves.

If participants are carefully prepared for intercultural negotiations, learn about the other side's cultural background, have the ability to change their perceptions, and avoid internal prejudices against other nationalities and ethnic groups, cultural differences can be a factor in success rather than conflict. Perceived cross-cultural differences make it easier to find mutually beneficial solutions, which are not possible if all parties to the negotiations hold the same cultural views.

In effective negotiation, participants approach the process by seeking solutions that benefit both parties. The art of negotiation lies in developing creative options and alternatives, rather than using persuasive tactics that may offend your partners rather than lead to an agreement.

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