

12-31-2012

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Recommended Citation

Yoon, Yeonhee and Yang, Kiwoong (2012) "An Inter-Cultural Communication Approach to Teaching Business Korean: A Case Study of a Mock Negotiation between Korean and American College Students," *Global Business Languages*: Vol. 17 , Article 10. Available at: <http://docs.lib.purdue.edu/gbl/vol17/iss1/10>

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AN INTER-CULTURAL COMMUNICATION APPROACH
TO TEACHING BUSINESS KOREAN:
A CASE STUDY OF
A MOCK NEGOTIATION BETWEEN
KOREAN AND AMERICAN COLLEGE STUDENTS

ABSTRACT

This study demonstrates that inter-cultural negotiators, one of whom is a bi-cultural American well-versed in the other's culture, realized similar joint gains to intra-cultural Korean negotiators. The conclusion of this study is that bi-culturals, who are aware of the cultural difference and social distance, were able to close social distance and produce joint gains that were similar to the result of intra-cultural negotiation. This study also emphasizes the development of pedagogical methods to increase KFL (Korean as a foreign language) learners' inter-cultural awareness and overcome cultural prejudices, so that they can foster cultural and linguistic competence in inter-cultural business negotiations.

KEYWORDS: inter-cultural communication, bi-cultural, inter-cultural business negotiations, Business Korean

OBJECTIVE OF STUDY

Negotiation is a process by which contending parties come to an agreement. The research on inter-cultural negotiations and the combined economic outcomes (joint gains) obtained by the two parties is limited (e.g., Adler & Graham, 1989; Brett & Okumura, 1998; Graham, 1985; Natlandsmyr & Rognes, 1995; Kern et al., 2012). The previous studies on inter-cultural negotiations produced conflicting findings. Some findings suggest that inter-cultural negotiations generate lower joint gains than intra-cultural negotiations because of a strategic misalignment between the parties (Adair et al., 2001, 2004; Brett & Okumura, 1998; Usunier, 2003). However, a recent study suggests that inter-cultural negotiators, one of whom is bi-cultural, generate higher joint gains than intra-cultural dyads (Kern et al., 2012).

The purpose of this study is to verify whether or not bi-cultural negotiators can overcome strategic misalignment with their mono-cultural negotiation counterpart to generate higher joint gains. To this end, this study will explore the importance of inter-cultural communication in Business Korean pedagogy, focusing on three aspects. First, this study will analyze whether there is an interrelationship between cultural variables and the outcomes of negotiations. In other words, if one of the inter-cultural negotiators is *bi-cultural*, a person who has in-depth experience in two cultures and is well versed in the thinking of both cultures, will the inter-cultural dyad realize higher joint gains than an intra-cultural pair in a negotiation? Therefore, this study proposes the research question of whether or not inter-cultural negotiations between Koreans and bi-cultural Americans realize higher joint gains than intra-cultural negotiations between two Koreans. Second, this study will examine whether the cultural difference in an inter-cultural negotiation affects the negotiation outcome. Third, this study will emphasize the development of pedagogical methods to increase KFL (Korean as a Foreign Language) learners' inter-cultural awareness and overcome cultural prejudices to foster inter-cultural understanding and linguistic competence in inter-cultural business negotiations.

THEORY

The cultural and strategic misalignments in inter-cultural negotiations might be the result of the lack of social awareness (i.e., the degree of consciousness of and attention to the other) (McGinn & Croson, 2004, 334) or the social distance (i.e., the degree of sympathetic understanding between two people) (Bogardus, 1959, 7). McGinn and Croson (2004) assert that social awareness helps people develop positive interpersonal perceptions, build trust, and engage in reciprocity. Moreover, they claim that social awareness has a direct influence on negotiation outcomes.

Benet-Martinez et al. (2002) defined *bi-culturals* as people who have acquired the ways of thinking of two cultures and have profound experience in both. Bi-culturals should be motivated to close social distance between the two cultures when engaged in a negotiation in the other party's mainstream culture.

That is, if the negotiators have different cultures and languages, they exhibit not only the cultural prejudice and consciousness of their own culture but the cultural differences between the two cultures. Thus, in the case of negotiations with the help of interpreters, it seems very difficult to overcome the cultural differences. However, since bi-culturals are well versed in the

other party's language and mainstream culture, they tend to strive for narrowing the social distances in order to identify with each other in negotiations.

Moreover, according to Kern et al. (2012), bi-culturalists may have a higher social awareness than mono-culturalists in an inter-cultural negotiation context. They argue that negotiators who use language reflecting awareness of and sensitivity to the other party will realize higher joint gains than negotiators who do not use such language (Kern et al., 2012).

PREVIOUS STUDIES

Only a few previous studies have been performed to investigate the differences between inter-cultural negotiations and intra-cultural negotiations. The first previous studies analyzed the negotiations between Americans and Japanese.¹ The results of two studies (Adair et al., 2004; Brett & Okumura, 1998) concluded that both American and Japanese intra-cultural dyads achieved higher joint gains than US-Japanese inter-cultural dyads. The results might be attributed to shared cultural awareness and insight about each other's preferences and priorities.

In the second previous study, regarding inter-cultural negotiations between Mexicans and Norwegians, intra-cultural Norwegian dyads produced higher joint gains than inter-cultural dyads made up of Mexicans and Norwegians. On the other hand, an interesting result was that intra-cultural Mexican dyads produced joint gains similar to those of inter-cultural Mexican and Norwegian negotiators. The result of Norwegian intra-cultural negotiations is in agreement with the conclusion of the first two studies that intra-cultural dyads achieved higher joint gains than inter-cultural dyads. On the other hand, the result of Mexican intra-cultural dyad negotiations, which produced joint gains similar to those of the inter-cultural Mexican and Norwegian negotiators, implies that Mexican intra-cultural negotiators have different negotiation strategies. In other words, while Norwegian negotiators provide multi-issue offers with trade-offs and strive to achieve higher joint gains, the Mexican negotiators maintain a dominant strategy of single issue offers (Natlandsmyr & Rognes, 1995).

In the third previous study, regarding inter-cultural negotiations between Koreans and Americans, the result showed that inter-cultural negotiators generated higher joint gains than Korean or American intra-cultural negotiators.

¹ The Japanese managers participating in the inter-cultural negotiations in the Brett & Okumura (1998) study were engaged in short-term assignments working for Japanese companies in the US. Most of them had families with them.

In this study, Korean students were bi-cultural and negotiated in English. Unlike the first and second previous studies, here inter-cultural negotiations produced higher joint gains than intra-cultural negotiations. Kern et al. (2012) claimed that one of the negotiators in an inter-cultural negotiation was a bi-cultural negotiator, who has a higher social awareness than mono-cultural. Moreover, they argued that negotiators who use language reflecting awareness of and sensitivity to the other party realize higher joint gains than negotiators who do not use such language.

HYPOTHESES

In this study we propose three hypotheses and will verify them through the experiment.

Hypothesis 1. Inter-cultural dyads in which one of the negotiators is bi-cultural will produce higher joint gains than intra-cultural dyads in which the negotiators share the same cultural awareness in the same cultural sphere.

Hypothesis 2. The negotiation outcomes are affected by the cultural difference in the inter-cultural negotiations.

Hypothesis 3. Bi-cultural who are well aware of two cultures and well versed in the other party's language can close the social distance through the use of the linguistic strategies of refusal and request speech acts.

METHODOLOGY

Participants

A mock negotiation was conducted in order to verify the hypotheses. Three American students and 37 Korean students participated in this study. The three bi-cultural American students are graduate students studying at a Korean university. They are all non-heritage KFL (Korean as a Foreign Language) learners studying Korean for 4.7 years and residing in Korea for two years on the average and are proficient Korean-language speakers at an advanced-high level based on the ACTFL scale. On the other hand, the 37 mono-cultural Korean college students are majoring in international relations at a private university in Korea.

Procedures

A total of three inter-cultural US–Korean dyads and 17 intra-cultural Korean–Korean dyads were created. Their negotiation conversations were audio-recorded and the contents of the negotiations were transcribed in order to analyze the contents qualitatively as well as quantitatively. A total of 600

minutes (approximately 10 hours) of recorded data were analyzed. All participants received materials in Korean and were provided with a 20-minute orientation regarding the mock negotiation. Participants were instructed that they would negotiate a two-party employment agreement between a candidate and a recruiter. Participants conducted a negotiation in Korean for about 30 minutes.

For Hypothesis 1 (Inter-cultural dyads in which one of the negotiators is bi-cultural will produce higher joint gains than intra-cultural dyads in which the negotiators share the same cultural awareness in the same cultural sphere), the Wilcoxon Signed-Rank Test was employed with joint gains as the dependent variable.

For Hypothesis 2 (The negotiation outcomes are affected by the cultural difference in the inter-cultural negotiations), the Wilcoxon Signed-Rank Test and a discourse analysis were employed.

For Hypothesis 3 (Bi-culturalists who are well aware of two cultures and well versed in the other party's language can close the social distance through the use of the linguistic strategies of refusal and request speech acts), a discourse analysis of the negotiation transcript was employed.

Negotiation Task

This study adopted the same negotiation task (Neale, 2000) as the one employed in the previous studies in order to compare the results of the previous studies and this study. Participants role-played a two-party negotiation simulation called "New Recruit," an employment contract discussion between a job candidate and a recruiter (Neale, 2000). The negotiation task included two distributive issues such as salary and starting date; four integrative issues such as bonus, vacation days, payment of moving expenses, and insurance coverage; and two compatible issues such as job assignment and location. Since the two distributive issues are a type of zero sum issue, the sum of gains and losses of both a recruiter and a candidate is zero. On the other hand, the gains and losses of both a recruiter and a candidate in the integrative issues are different, since the four integrative issues are a type of non-zero sum issue. Also, the gains and losses of both a recruiter and a candidate in the compatible issues are the same, since the two compatible issues are a type of win-win game (Appendix A).

RESULTS AND ANALYSIS

The following is the result of verifying Hypothesis 1. Table 1 summarizes the result of statistical analysis of both Korean-American dyads and Korean-

Korean dyads based on the Wilcoxon Signed-Rank Test. The rationale for employing this test is that it does not require the same variable quantity of each variable and can analyze the variables comparatively while it is required to have the same variable quantity in the statistical comparative analysis in general. That is, the variable quantities in both the Korean-American dyads and the Korean-Korean dyads are not identical, since there were three variables in the Korean-American dyads and 17 variables in the Korean-Korean dyads respectively in this analysis shown in Table 1. Therefore, the Wilcoxon Signed-Rank Test is a suitable statistical method, since the variable quantities in both the Korean-American dyads and the Korean-Korean dyads are different.

TABLE 1. WILCOXON SIGNED-RANK TEST RESULTS (GROUP)

	N	Mean Rank	Sum of Ranks	Wilcoxon W	Exact Significance [(2* (1-tailed sig.)]	Analysis
Korean-American dyads	3	10.00	30.00	30.000	.921	No statistically significant difference
Korean-Korean dyads	17	10.59	180.00			

The statistical analysis in Table 1 shows that the mean ranks differ by only 0.59, although the number of samples was not the same between the Korean-American dyads (where the Americans are bi-culturalists) and the Korean-Korean dyads. Hence, the statistical analysis verifies that the result of inter-cultural negotiations is similar to that of intra-cultural negotiations.

The implication of this result is that bi-culturalists² can narrow the social distance that might hinder negotiators. Therefore, the result is that inter-cultural dyads containing bi-culturalists could produce joint gains that are similar to those of intra-cultural dyads in the same cultural sphere who can predict each other's preferences and expectations. However, the result of the statistical analysis

² Bi-culturalists are the people who have a higher social awareness than mono-culturalists in an inter-cultural negotiation context.

in Table 1 was not able to verify that the inter-cultural dyads containing a bi-cultural generated higher joint gains than intra-cultural dyads. Hence, this study partially verified Hypothesis 1.

The following is the result of verifying Hypothesis 2. As a result of the analysis of eight individual negotiation tasks,³ the statistical analysis verifies that there is a statistically significant difference between inter-cultural dyads and intra-cultural dyads only in the category "vacation days." Korean-American inter-cultural dyads generated higher joint gains than Korean-Korean intra-cultural dyads in vacation days among the integrative issues. Providing fewer vacation days is more advantageous from the recruiter's point of view, while receiving more vacation days is more advantageous from the job candidate's point of view. The statistical analysis in the Table 2 shows that

TABLE 2. A WILCOXON SIGNED-RANK TEST FOR VACATION DAYS

		N	Mean Rank	Sum of Ranks	Wilcoxon W	Exact Significance [(2* (1-tailed sig.))]	Analysis
Recruiter-Vacation	Korean-American dyads	3	3.67	11.00	11.000	.028	statistically significant difference
	Korean-Korean dyads	17	11.71	199.00			
Candidate-Vacation	Korean-American dyads	3	17.33	52.00	158.000	.028	statistically significant difference
	Korean-Korean dyads	17	9.29	158.00			

³ The eight negotiation tasks include two distributive issues (salary, starting date), four integrative issues (bonus, vacation time, payment of moving expenses, and insurance coverage), and two compatible issues (job assignment and location).

the result of negotiations can be affected by the cultural difference between American students and Korean students. The average number of vacation days negotiated by the Korean-American inter-cultural dyads is about 15 days (joint gains=2,800) while the average number of vacation days for the Korean-Korean intra-cultural dyads is about 10 days (joint gains=3,400). Therefore, the statistical analysis verifies that Hypothesis 2 is valid.

As shown in Table 2, there was a difference between the Korean-American inter-cultural dyads and the Korean-Korean intra-cultural dyads in the category “vacation days” among integrative issues. This implies that American students prioritize vacation days more than Korean students do. This prioritization of vacation days by the American negotiators was evidenced in both roles: recruiter and candidate. We can assume that this resulted from a cultural difference. In other words, American students value their personal freedom and think that vacation days are important because having time off can improve their quality of life. On the other hand, we may assume that Korean students seem to prioritize the monetary compensation even though they yield the vacation days. This can also be interpreted as a difference between Korean students and American students resulting from Korean collectivism and American individualism. It is possible to analyze that American students chose more vacation days because American students prioritize the personal value, while Korean students seem to adjust to the employer’s demand and yield the vacation days.

Discourse analysis also elucidates the cultural difference between American students and Korean students regarding the value of vacation days among integrative issues. It is possible to show the cultural difference between American students and Korean students through analyzing their conversations.

If we analyze the conversation between student O (American student, a recruiter) and student L (Korean student, a candidate), then L was willing to take only five days of vacation in order to get other advantages, such as the bonus, while O mentioned that vacation is very important for everyone and almost agreed with the candidate when the candidate asked for 25 days maximum.

e.g., [O-L case] (O: American student, L: Korean Student)

O: *Um, hyuka-nun nwuku-ekye-na cwung,yo-ha-ci-yo.*

“Vacation is important for everybody.”

(O values the individual quality of life.)

.....

L: *klem, ponesu-lul ol.lye-cwu-si-myen hyuka-ilswu-lul yangpo-ha-keyss-supnida.*

“Well, I will take 5 days of vacation instead of 20 days if you provide more bonus.”

(L yields vacation days easily in order to gain more salary.)

The following is the result of verifying Hypothesis 3. Discourse analysis of the conversations between American students and Korean students in the negotiation context demonstrates that there is a difference between American students and Korean students in the speech act of refusal. Surprisingly, bi-cultural American students who are well versed in the two cultures used more hedges⁴ and indirect speech act devices in order to mitigate the “FTA (face-threatening act)” and save the “face” in terms of “politeness” (Brown & Levinson, 1987) than mono-cultural Korean students. Korean people tend to use a variety of mitigating strategies when refusing rather than straightforwardly saying “no” in terms of “negative politeness” (Yoon, 2010a; Yoon, 2010b).

However, in this experiment the bi-cultural American students used more hedges and indirect speech acts. This implies that bi-cultural American students, who are aware of and deeply experienced in Korean culture, have acquired this linguistic strategy in the Korean language when refusing. Hence, this study showed the validity of Hypothesis 3.

IMPLICATIONS AND LIMITATIONS

The findings of this study imply that the better we understand other languages and cultures, the more successfully we can perform in global business contexts. Hence, this study emphasizes the necessity and importance of an inter-cultural communication approach in Business Korean curriculum and

⁴ Yoon (2010b) defined a *hedge* as a communicative strategy for politeness and mitigation from the pragmatic perspective in Korean spoken discourse. A *hedge* as a linguistic device that softens/mitigates the illocutionary force of the proposition as well as expresses the speaker’s concern for the addressee’s feelings, and as an interactional strategy to protect face for self and/or others as well as to facilitate the success of interactions between interlocutors, enhance interpersonal rapport, and establish solidarity (Yoon, 2010b).

pedagogy in order to cultivate the KFL learners as bi-culturalists who have inter-cultural competence as well as linguistic competence.

In order to summarize the implications of this study, we suggest two pedagogical ideas. One is to develop modules to teach customs such as speech act of request and refusal in a business negotiation context. The other is to adapt task-based language teaching, such as including a negotiation simulation task.

The following point needs to be addressed in further studies. Future research is needed to test the generalizability, not just with bi-cultural Americans but with many different negotiators with bi-cultural experience. For example, the results of the inter-cultural dyads (such as bi-cultural Chinese and mono-cultural Korean or bi-cultural Americans and mono-cultural Chinese and vice versa) can be compared with the results of this study.

CONCLUSION

This study demonstrates that inter-cultural negotiators, one of whom is bi-cultural and well versed in the other's culture, realized similar joint gains to intra-cultural negotiators. The result of this study is a little different from the one with the bi-cultural Korean and American in a negotiation context (Kern et al., 2012). However, bi-culturalists, who are aware of the cultural difference and social distance, were able to close the social distance and produce joint gains that were similar to the result of intra-cultural negotiation. Furthermore, this study verifies by using discourse analysis that bi-cultural negotiators close the cultural gaps and social distance in an inter-cultural negotiation context, since bi-cultural negotiators utilize linguistic strategies such as hedges and indirect speech acts.

APPENDIX A. PAYOFF MATRIX

Issue	Options	Points -Re- cruiter	Points -Can- didate	Issue	Options	Points -Re- cruiter	Points -Can- didate
Bonus	10 %	0	4000	Moving Ex- pense Cover- age	100 %	0	3200
	8 %	400	3000		90 %	200	2400
	6 %	800	2000		80 %	400	1600
	4 %	1200	1000		70 %	600	800
	2 %	1600	0		60 %	800	0
Job Assign- ment	Division E	-2400	-2400	Insur- ance Cover- age	Plan A	0	800
	Division D	-1800	-1800		Plan B	800	600
	Division C	-1200	-1200		Plan C	1600	400
	Division B	-600	-600		Plan D	2400	200
	Division A	0	0		Plan E	3200	0
Vacation Time	25 days	0	1600	Salary	\$50,000	-6000	0
	20 days	1000	1200		\$48,000	-4500	-1500
	15 days	2000	800		\$46,000	-3000	-3000
	10 days	3000	400		\$44,000	-1500	-4500
	5 days	4000	0		\$42,000	0	-6000
Starting Date	June 1	0	2400	Loca- tion	Boston (USA)	0	0
	June 15	600	1800		Pusan (Korea)	300	300
	July 1	1200	1200		Chicago (USA)	600	600
	July 15	1800	600		Seoul (Korea)	900	900
	August 1	2400	0		San Francisco (USA)	1200	1200

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