

BUSINESS NEGOTIATION SERVED ON A SUSHI PLATTER

Annat T. Katz

How does one say “no” in Japanese? The truth is, this word does not exist in the Japanese language. Instead, an alternative vocabulary allows people to understand that a certain request cannot be implemented. For example, the phrase *Chotto Musukashii*—“it’s a little difficult”—is an equivalent to the word “no” in English. The reason for the Japanese language’s lack of what we consider a basic communication expression is directly related to the difficulties American businessmen face when embarking on joint economic ventures in the “Land of the Rising Sun.” In what way are US-Japanese business agreements impacted by Japanese communication? Overwhelmingly, the answer is: every way. For centuries, Japan’s geopolitical isolation has produced a culturally-sophisticated and homogenously-distinctive society, considerably different from other countries in Northeastern Asia and elsewhere in the world. Japan has established itself as an exceptional nation with a strong cultural identity that evokes a sentiment of pride among its people. These characteristics and Japan’s past tendency to avoid contact with the outside world for hundreds of years has made this country and its population mysterious and perplexing in western eyes.

With the global economy acting as a catalyst for economic cooperation between the United States and Japan, cultural gaps soon became the key restraints on US-Japanese business negotiations. The very existence of the Japanese word *gaisi*—the foreign company—demonstrates how Japanese history, culture, and national pride hold a vital place in its society. Moli Eldar, an Israeli woman who is a former attaché to the Israeli embassy in Tokyo, Japan, has written *Samuraim Ba-halifot Ha-derekh Ha-yapanit Le-asakim* (*Samurais in Suits—The Japanese Way of Business*), a book in which she offers an understanding of the complex Japanese culture and behavior, particularly under business circumstances. From the opposite perspective, T. W. Kang, a Japanese native and director of a management consulting firm, provides, in *Gaishi: The Foreign Company in Japan*, an insider’s perspective on Japanese companies’ views of American firms entering the Japanese market, and on the difficulties that surface because of considerable cultural differences. Kang’s comments help to broaden and clarify the issues behind the two societies’ mutual obstacle of cross-cultural differences. Another individual who has gained extensive experience with the Japanese corporate sector is Robert M. March, an Australian whose fifteen-year residence in Japan

inspired his book *The Japanese Negotiator: Subtlety and Strategy Beyond Western Logic* in which he incorporates his own view on the appropriate way of interacting with Japanese negotiation teams and understanding their elaborate traditional business behavior. Overcoming cross-cultural differences, however, can be an objective that is much easier to accomplish than some might think, and increasing intercultural education will be needed to expedite the business negotiations in the twenty-first century. This can be achieved by seminars and consulting sessions held at American working environments, with Japan's unique culture and business etiquette taught by experienced personnel with either years of work experience or residence within the Japanese society, who can convey their knowledge to junior American international marketing employees. This will give employees the confidence and preparation they need to become more interactive with Japanese businessmen as well as help close the cultural gap. In his essay "The Age of Social Transformation," Peter Drucker foresaw the rise of a new class of what he calls "knowledge workers" and their managers, whose skills are technological, and whose education non-traditional and ongoing. Advanced and specialized knowledge, he argues, will be required "well past the age of formal schooling and increasingly, perhaps, through educational processes that do not center on the traditional school" (60). Although Drucker did not include cultural education in his proposals, it is the kind of non-traditional education for which he anticipated a need.

The international economy of today is considerably different than what it has been in the past. Today's companies now aim at a significantly higher level of operation as well as performance throughout the ranks of their employees. Marketing departments of various American firms are now, more than ever, pushing towards business projects overseas in order to compete in the global economy. The workers who are actively involved in carrying out this mission are "knowledge workers," employees who have gained relevant knowledge and experience in higher educational institutions in order to perform their current functions. This economic society exists in every country that is internationally engaged in business with foreign companies; therefore, modern knowledge workers are required to acquire the kind of additional education in the workplace necessary for advancing their company in its desired financial direction. Financial success on an international level is often impeded when cross-cultural misunderstandings or lack of sensitivity to more subtle yet important social nuances come into play. Cultural education can fill in the missing part of the current

equation that leads to unnecessary problems that can be easily avoided. Problems such as culturally-based misconceptions and unfamiliarity on both sides present a difficulty in business negotiations that can easily be worked out with such a form of education.

The fact that within a few decades a relatively small country has been able to be internationally acclaimed as the symbol of diligence, determination, quality and excellence is both surprising and confusing. Japan remained a secluded culture for centuries, partly because of its geographical features but most importantly because of its avoidance of contact with foreign societies. The consequences of a culture being cut off from the outside world for over two thousand years created a distinct, sophisticated society that possesses unique cultural characteristics which are perceived by westerners, especially Americans, as puzzling and complex. Japanese cultural values and traditions are deep-rooted, and therefore it is not surprising that these values have made their way into the Japanese business etiquette as well. As a result, American businesses have grown to be more conservative in their approach to the Japanese market out of fear and reluctance to “deal with such a complicated culture” and keep joint business efforts with Japan to a minimum. Cultural misunderstandings become more complicated because Japanese people are reluctant to explain the components of their culture. These circumstances were not intentionally created by Japanese people but simply evolved this way because of many years of geographical seclusion. When conducting business negotiations, both American and Japanese teams bring their own culture into the negotiation room, indirectly dictating the fashion by which the procedure is carried out. The two cultures’ different negotiation styles, each influenced and motivated by different values and principles, represent the main rationale behind the American-Japanese cross-cultural impediment.

Japanese culture is one of the most ancient cultures existing today, unlike that of the United States. As a result of the Japanese social isolation there has been, until recently, a lack of international exchange in business. This created a situation where while many American business practices can be discussed explicitly, Japanese business practices are founded in folklore and largely implied (Kang xi). This suggests that in order to learn how to do business with Japanese companies, Americans first need to be knowledgeable of Japanese culture and tradition before embarking on business endeavors. The Japanese lack of clarity in regard to their business etiquette stems from a central historical theme—the Samurai, which to this day dominates the Japanese way of thinking and behavior, and has

shaped the period between feudal and contemporary Japan (Eldar 39). The Samurai, who stood as the highest rank in ancient Japanese society, led their lives adhering to certain values which have lingered in modern Japanese society and culture. Behaving according to the Samurai model is the aspiration of every Japanese individual, and is perceived to be the highest degree of honor and well-being. Complete loyalty to the master, extraordinary skill with a sword, justice, self-control, harmony, courtesy, ambiguity, and honor are among the highly-valued virtues of the Samurai. Although loyalty and skill are among the most imperative virtues, harmony and ambiguity are the ones more influential to the way Japanese do business. These represent the basis of understanding Japanese Samurai mentality of ancient times as well as that of modern times (Eldar 40). If one wishes to understand the root of Japan's "mysterious" cultural behavior, one needs to explore the history and its influences on the contemporary Japanese people.

One of the most honored Samurai principles practiced in modern Japanese corporate society is the effort to maintain harmony, which is derived from Buddhist influence and is one of the practiced ideologies in Japan. The Japanese learn early that vagueness is a virtue (March 15). They will maintain a sense of harmony in their efforts to avoid confrontation at all costs. Here lies one of the most pronounced differences in communication styles between the two cultures: the Japanese prefer to communicate indirectly, often beating around the bush rather than in a direct manner (Kumayama 12). The reason for this is that being straightforward is seen as a serious character fault in their culture. The Japanese saying, "the mouth is the source of all troubles," is a simple example for their avoidance of being direct. My father once gave me an example of this act of avoidance through one of his business experiences. During one of his business trips to Japan, my father walked through the streets of Tokyo and asked a passerby for the time. The young Japanese man was extremely surprised by the stranger's direct inquiry, which seemed to place him in an awkward situation. The young man, however, did not say he could not tell the time because he did not have a watch. Instead, he began looking at the sky, spoke of the sun's position and tried to make spontaneous speculations of the hour, demonstrating how important it is for the Japanese to avoid a direct response. In this case, the reply was especially important to avoid since it involved negativity which is perceived as an insult in Japanese culture.

The constant desire to maintain a harmonious atmosphere is one of the Japanese cornerstones of interacting with the surrounding social and working environments.

American companies, on the other hand, are motivated by the capitalist “bull and bear” ideas. The “cut to the chase” materialistic approach to the bargaining, selling and buying as fast and forcefully as possible is vital to conducting business. This approach presents a widespread problem to Japanese negotiation teams who are forced to step out of their harmonious comfort zone in order to bargain and argue for their company’s economic objectives. Reluctantly, they find themselves in a defensive position. As a result of the Japanese preference to preserve consensus and agreement, non-verbal communications become more pronounced cultural barriers that hinder American and Japanese business negotiations. Therefore, the Japanese would rather handle decision-making unanimously and compromise their own view point than have disharmony and imbalance amongst their team members. All decisions have to be agreed upon by all members, regardless of their ranks. For that reason, discrepancies between the Japanese and Americans should be regarded as nothing more than two different perspectives on a certain issue, and neither of these should be considered to be better or worse than the other. They merely represent two different cultural views on the same procedure, just as marriage, for example, represents a union between two people, and yet is practiced differently in various cultures.

One of the most dominant reoccurring complaints of American businessmen in working with Japanese counterparts is the latter’s bewildering use of silence—a prominent ambiguous form of body language. When confronted with silent moments, Americans have a tendency to fill this void with one-sided conversations. To the Japanese, however, silence is a multi-layered communication method mastered by all members of Japanese society. This virtue goes hand in hand with the desire to maintain harmony and avoid insulting someone by accident. Such a complex usage of silence as a communicative element is bound to make an appearance during business negotiation, where often the Japanese utilize silence as a calculated move. “In Japan, as long as you remain silent, you project a favorable impression and are assumed to be thinking deeply about the problem” (March 16). This desirable quality in Japan is contradictory to the western perception of silence as indicating a lack of knowledge or understanding, as well as signifying a lack of confidence and professionalism. In Japanese culture, silence is also a way of assessing the situation, to see whether the negotiation process with the counterpart will encounter future problems in communication and fluidity.

Another aspect of intentional silence during business circumstances is provided by Eldar, who refers to this non-verbal communication tactic back to the Samurai ideology: “the Samurai maintains an effort in developing the skills of observing the enemy in order to find and expose his weaknesses” and therefore “Japanese businessmen use silence as a method of inducing the opponent to expose his soul and limitations” (47). This Japanese tactic of measuring up the American counterpart proves to be a direct connection between ancient Japanese ideals and the cultural difficulties which take place during the negotiation process. Japanese silence is also “The art of taking a physical stance and reading the opponent, [to be] refined and eloquent and is used chiefly for communication among Japanese” (Blaker 10). Thus, in Japan, silence is a well-known form of communication while among Americans it merely demonstrates the lack of it.

Another form of non-verbal communication among the Japanese is the use of a “blank face,” which demonstrates a lack of the facial expressions that come to us naturally, such as smiling, frowning, or direct eye contact. This feature is the result of social conditioning processes that are introduced during a person’s childhood in Japanese culture. It was created to act as a method of eliminating the possibility of insulting or displeasing others. For example, if a Japanese businessman laughs or becomes angry, he may feel as if he unintentionally insulted someone by laughing at the wrong thing or becoming angry unnecessarily. Therefore, it becomes vital to the Japanese businessman to conduct himself in an emotionless manner in order to prevent the occurrence of insult or “disorderly conduct.” Education in Japanese customs provided to American negotiation teams will prevail over challenges posed by Japanese-American cross-cultural gaps, and “understanding can facilitate communication and avoid misunderstanding. It can also make the Japanese feel comfortable” (Kumayama 1). Such expertise—easily obtained by affordable advanced education—will overcome complications stemming from cultural differences, especially expectations whose importance is underestimated as trivial gestures of politeness and courtesy.

Exceptional as it may seem, westerners’ perception of behavioral and verbal gestures exchanged by American and Japanese businessmen can lead to influential effects that often determine the outcome of their joint business relations. Although minor mistakes are permissible, misunderstanding and failure to recognize important cultural subtleties may lead to stagnation or dismissal of the negotiations (Kumayama 1). The main reason for such

consequences lies in the basic notion that in Japan there is no such thing as a right or wrong way of doing business, but simply the Japanese way of doing so in order to be balanced and equal. One example is through the Japanese significance of the first impression. Although this may be perceived as superficial by American standards, the Japanese see it is an essential source of relevant information when examining the business party at the other end of the negotiating room. Eldar suggests that the importance of the first impression in Japanese culture “might come from their observations on American business teams and of the importance they attribute to every aspect of non-verbal communication.” Also, the foreign company’s group in general will be put to the test for its internal dynamics among its members, and therefore it is important to maintain the team atmosphere (Eldar 87). The Japanese will utilize all available resources in order to gather relevant information on the business counterpart prior to entering the negotiation room. This allows Japanese businessmen to discover the American team’s weaknesses. Furthermore, if the American team demonstrates a lack of cohesiveness among its members, it foresees future problems that will likely surface during more elaborated stages of the two cultures’ business negotiations. First impressions inevitably create lingering effects on both parties, such that “many of these impressions, favorable and unfavorable, are found to persist for months and survive intact in spite of numerous conversations” (Bernlund 125). Thus first impressions are crucial when engaging in business relations with Japanese culture. It is important to be prepared beforehand, and equipped with relevant cultural information so all members of the American negotiation team are perfectly synchronized.

The Japanese are very proud of their heritage and culture; if an outsider demonstrates the slightest relevant knowledge, he will receive great respect from the Japanese since this means he has taken the time to learn a piece of their culture as well as put it into practice. Additionally, this will emphasize good will and serious intentions (Eldar 87-88). In correlation with the importance of acquiring relevant information before embarking on US-Japanese business negotiations, familiarity and understanding of Japan’s unique culture and values will greatly facilitate business relations between the two parties. Professionally coaching American businessmen in the workplace provides knowledge and encouragement of the Japanese custom of establishing personal relations before and after business agreements are finalized. It is recommended that the “knowledge societies” of both cultures acquire additional cultural knowledge to reduce the negative effects of cross-cultural

differences, although Americans might need to be extra diligent in that respect. For Japanese businessmen, engaging in a negotiation process with a foreign company is accompanied by certain traditional "social protocols" that begin long before an actual business meeting occurs, and end long after it has been completed. "[S]howing respect, putting people at ease and showing appreciation" (Kumayama 11) are the fundamentals to successful business negotiations. They not only act as the basis for sound friendly relations but lay the foundations for a successful business relationship between Americans and Japanese.

When American companies are interested in entering Japan's boundary to expand their international sales profits, they find themselves blocked by an enormous cultural gap which not only causes frustration and disappointment but also delays negotiation processes and at times even brings them to a complete halt. Although there is a significant quantity of related literature that can act as an aid for such companies, it lacks sufficient sources by Japanese authors that explain their confusing code of behavior in business. Additionally, the predominance of western authors on American-Japanese cultural differences correspond to the unique mystifying nature of Japanese culture and therefore proves that a stronger approach of education on the American side is needed in the work place. Our instincts tell us to be afraid of the unknown and this is true even in the case of business negotiations between American and Japanese companies. Both groups enter the room with hesitation and often with incompetence as a result of being unfamiliar with the other culture. However, this does not necessarily have to be the common scenario when Americans and Japanese sit together at the bargaining table. A much more positive and productive scenario could be played out if education and awareness are packed into the American businessman's luggage when leaving for Tokyo. Overcoming strange Japanese behavior such as the deliberate silent treatment, understanding the significance of the first impression and the behavioral dictates of traditional values can easily be addressed by possessing previous advanced knowledge of the unique and intriguing Japanese culture. While the Japanese market poses gigantic cultural barriers to American companies, a simple small phrase can break the most fortified wall of them all: knowledge is indeed power.

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COMMENTARY

Dayna Hunter

Annat Katz's essay engages the topic of international negotiations between American and Japanese businessmen and how they are affected by affect by cultural expectations. Her essay focuses on several areas—language, speech, expression, and the use of strategy. Katz addresses the difficulties facing American businessmen in understanding Japanese culture formed during centuries of geographical isolation and influenced by the Samurai tradition. Using the analysis of Peter Drucker, she suggests that American businessmen receive training in Japanese customs in order to better understand and negotiate with Japanese businessmen. I agree with her ideas, but I think that it takes more than education to fully understand a culture.

In the essay, Katz entertains ideas about the cultural strategies and conduct Japanese businessmen use to "disarm" their opposites, such as silence, cohesiveness, and lack of

emotion. She emphasizes that Americans have a tendency to "over-talk themselves," using the art of casual conversation as an attempt to lighten the business mood. However, Japanese see this as a kind of exposure technique that weakens their disposition, and therefore has a negative impact on the impression Americans need to make on Japanese businessmen. Loyalty is one of the highest values of the ancient tradition of the Samurai, and is expressed for Japanese businessmen in loyalty to their jobs, to their partners, but not to themselves. As Katz explains, when making a decision, the Japanese businessman will sacrifice his own opinions in order to make a majority decision amongst his team members in order to avoid the conflict of disagreement. Disagreement and discord go against another ideal they cherish, which is harmony. However, if they portray themselves as harmonious, how can they also portray themselves as emotionless? Perhaps this is just another strategy used for disarming the American businessman.

The problem with Katz's proposal that American businessmen be given training sessions in Japanese culture is that culture is not easily taught. It takes years of study, years of interacting and being able to adapt to a culture in order to understand it. And how about the idea of the Japanese learning about American culture and business conduct? What would happen if Japanese businessmen pushed back the confines of their social, economic, and geographical isolation and came to the United States to learn about business negotiation? Perhaps it would be beneficial to break out of that captivity, but would they be willing to give up the standards and strategies established through their culture and ancient tradition? These are some of the questions I entertained as I read through the essay.

Katz goes a long way toward engaging the complex issues involved with cross-cultural negotiations, and her use of personal experience is compelling. Altogether, the essay is insightful, and if it were extended to a book where she could fully explore all of the issues she raises, it would be just as successful as her essay.