Japanese and American Negotiation Practices

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Introduction

In today’s world, negotiating and conducting business with other countries is necessary to participate in the global economy. It is important that United States businessmen and women who are transacting with Japan, understand the Japanese culture and negotiation styles. The knowledge of business styles of both countries gives them each the opportunity to gain and build positive relationships with one another, both economically and personally. Not only is it vital to understand both American and Japanese culture and their styles of conducting business, but it is also important for both countries to actually practice these styles as well. The success and effectiveness of negotiation between Japanese and American businesses depends on an understanding of each country, and most of all patience. The purpose of this paper is to look at the Japanese culture and the various styles of negotiation they use in their business practices compared to those practiced in the United States. Specifically, I will be focusing on the languages, behaviors, and communication styles that both the United States and Japanese acquire and utilize. The first part of the literature review will give an overview of Japanese culture, as well as American culture in relation to business practices. This will specifically focus on the cultural value differences between Americans and Japanese and also the negotiation styles of both countries. The second part of the literature review will explore the role of language and communication in negotiation. This section will look at the relationship between language and culture, and the impact it has on business negotiations. The final part of the literature review will focus on the awareness one should have during a business negotiation with another culture and its significance. This segment will demonstrate the importance of learning and understanding each culture in association with business negotiations. Through the examination of negotiation practices, I will demonstrate the importance of intercultural communication in the business world.
Literature Review

Important research has been previously conducted about the negotiation styles conducted in Japan compared to those in the United States. This research offers insight into how Japanese culture is interrelated into the different types of negotiation styles they use, and how they are utilized when conducting business with business men and women in the United States. The research is organized into categories based on the content of the study.

American Culture and Japanese Culture

Between the United States and Japan, there are differences in cultural values and the influences they have on business negotiations. Cultures vary a lot based on their environment and the meaning that particular cultures have in communication. An important distinction that guides negotiation styles is each county’s context in communication. The United States is considered to be a low context country, which can be defined as a culture in which “little of the meaning is determined by the context because the message is encoded in the explicit code” (Jandt, 2010, p. 71). On the other end of the spectrum, Japan is viewed as a high context culture. Jandt (2010) describes high context as a culture “in which less has to be said or written because more of the meaning is in the physical environment or already shared by people” (p.71). This difference in the context each of these cultures is a very important distinction when negotiating a business deal. In a low context culture, the message itself means everything while in a high context culture the verbal messages have little meaning without including the surroundings which includes the overall relationships between the individuals engaged in communication.

The Japanese have four different stages to their negotiation process which include first non-task sounding, task-related exchange of information, persuasion, and finally concessions and agreement (Adachi, 2010). While the Japanese go through individual stages to get as much
information as possible before actually conducting the negotiation, Americans seem to spend less
time going through these stages and more time on actually conducting the negotiation. Based on
high and low context, if there were to be a complication during a negotiation the Japanese would
calmly and slowly go through tactics to fix the situations, while Americans would be more likely
to become more aggressive and feel more pressure about of deadlines.

John Graham explains the importance of business people meeting in cross-cultural
marketing negotiations and the importance of the relationship that the United States has with
Japan. The main focus of his research states that “marketing negotiations are found to mediate
the influence of cultural variation of the parties on negotiation outcomes” (Graham, 1985, p. 130). The United States and Japan have proven to be different in many aspects. Although cross-
cultural negotiations can be more difficult, it is important for both countries to notice the flow of
information received and specifically how it is communicated. Graham (1985) found that when
clients are cooperative and give more information rather than too little information, both parties
tend to benefit.

An important aspect of business negotiations within the area of global telecommunication
is looking at how agreements are achieved between differing cultures. Qualitative research
conducted on changes in negotiation across the globe suggests that understanding the dynamics
of a culture at a time when both parties can’t agree helps business people to form an important
construction of how to execute international negotiations. It was also stated that understanding a
cultures dynamics will allow individuals to gain general conclusions about the nature of the
culture in the specific location it is being negotiated in (Ives, 2003). The author says that another
factor that may influence business negotiations is a country’s ability to make decisions. The
links between different types of business negotiations and the decisions that must be made have an effect on how easily the negotiations can be worked through.

In today’s global economy, Japanese and American firms have dramatically increased their investments in each others’ nations. With the increased investments in each other, there are also differing organizational goals between Japan and the United States. Sullivan and Kameda state that this is part of the fact that the United States is a low context culture, while Japan is a high context culture. The authors’ state that differences in cultural values, different languages, and different organizational goals can cause problems in negotiations. One communication issue that seems to be prevalent between these two cultures is the difficulty of discussion involving profit and profitability. Japan and the United States both have different organizational goals with this subject and different conceptualizations of the word, profit. These differences can be easily solved through defining words that may be confusing, before any negotiation takes place. In return, both countries are on the same page and then can effectively negotiate.

Overall, these studies looked at the different negotiation styles utilized, communication variation, and issues that may arise when individuals administer a business negotiation. High and low context cultures vary in many ways and can cause challenges for those conducting business in each of these cultures. Although it has proven to be difficult at times, through each culture understanding the details of the other, these issues can be resolved in a professional manner. All of these notions are vital pieces in acquiring a successful business negotiation, especially when the negotiation is international.

**Language and Communication**

Language also plays a key role in business negotiations between high and low context cultures. Cross-cultural negotiations must involve not only understanding the other’s language,
but also the meaning that is associated with each word. Although meanings of words can be the same, different cultures may grasp it adversely. It is a crucial aspect of communication to understand cultural connotations. For example, the word “yes” to the Japanese does not have the same meaning as the word “yes” does in the United States. Another primary example of this is that the Japanese try to use the word “no” as little as possible to avoid any conflict and maintain harmony. Instead of using the word “no”, they use many other words that have the same meaning. These are examples of factors that Americans need to keep in consideration when making a business negotiation with Japan.

During important business situations, one must also pay close attention to language and different negotiation styles that the other uses. Any indirectness portrayed by the Japanese comes from their need to keep harmony and to not lose face during the process of negotiating while Americans would focus more on being more straight forward and putting out all of their information on the table. The Japanese are more focused on trust and making an agreement and then worrying about the details as the Americans are more centered on negotiating issues piece by piece and then coming to an overall agreement (Adachi, 2010). These two different tactics to coming to an agreement during a business negotiation highlight the differences between high and low context cultures. It is essential for both sides to use open communication and see the others point of view during this detailed process.

Graham and Andrews (1987) lead a study that analyzed face-to-face communication in relation to business negotiations between Japanese and American business people. The authors of this article explain the importance of international business relationships, face-to-face communication, and cross-cultural negotiations. It was noted that although there are differences in negotiation styles, they can be worked through and resolved. With understanding the Japanese
and American cultures, one can better negotiate and understand the others intentions more clearly. The different perspectives that each culture obtains has an effect on how they communicate and deal with other cultures. In stating this, it is important to realize the language and communication differences when doing business with another country.

Nakasako (1998) he states in his article that “business communication covers both oral and written components: face-to-face and telephone conversation, public speaking, presentation, and listening, classified as oral communication; letters, reports, and contracts, classified as written communication” (p. 104). When looking at business communication at a global level, we must consider different cultures and different countries where multicultural communication and multinational business may overlap. It has been noted that the Internet has changed the traditional styles of many Japanese companies, which then changes how negotiations between different countries can take place. The degree of new communication media can have an impact on the vertical organizational structure of many Japanese companies.

In a study done by Kobayashi and Viswat (2011), it was found that one must acknowledge that other individuals’ intercultural communication competence is context-dependent. The authors explain that although there may be cultural differences, the Japanese and the United States can reach mutual understandings with one another. In saying this, no matter the amount of knowledge of intercultural communication an individual has, the knowledge will not be meaningful unless it can be utilized in actual interactions (Kobayashi & Viswat, 2011). It is also stated that the purpose of a business negotiation is not to win an argument but to achieve the company’s goals or interests. In achieving this, appropriate intercultural communication needs to be practiced by both parties in order to receive the best results. Cultural awareness in business negotiations between America and Japan is vital in conducting business. Every culture
has its own way of conducting business, but regardless of these differences, clear and precise communication is vital for a successful negotiation.

**Awareness among Cultures**

Along with comprehending and understanding another culture’s background, being aware of various aspects of another culture is very important when conducting a business negotiation. The different ways in which the Japanese think and act on certain business practices is not the same the ways Americans do, so each culture must remember this throughout this process. Although the business world shares a common ground regardless of culture, there are fundamental features of the Japanese cultural values which result in different negotiation communication than that of Americans. These differences, whether large or small, must be looked at in each individual culture. Looking at these differences among cultures allows us to be aware of the values and communication styles that make each business style the way it is.

Deborah Elms (2004) explains that “the United States frequently engages in negotiations with its trading partners over expanded market access for American firms” (p. 241). Because the United States and Japan are both in constant contact with each other and are a part of the global economy, understanding each other’s negotiation styles is imperative in maintaining a positive relationship with one another.

The authors Viswat and Kobayashi explain that in the United States, negotiations are carried out by the majority of individuals on a daily basis. The negotiation styles that are used in America are different than those used in Japan, and this distinction is important to be aware of. The authors state that negotiation is something that can be learned and it is a critical skill for business men and women involved in cross-cultural business negotiations to attain. Both Americans and Japanese need to acquire different abilities in order to foster a give and take
relationship that will benefit both parties. Viswat and Kobayashi (2012) list a few of these abilities; “to listen attentively to what the other person says, and display a willingness to compromise by controlling emotions, utilize logic and reasoning, and help others recognize points of disagreement by expressing their opinion clearly” (p. 6). All of these factors, if followed by both parties, could result in an effective and open business negotiation that benefits both countries.

Critical Analysis and Discussion

Both Japan and America are made up of their own fundamental social and cultural structures. As I stated earlier, cultures vary a lot based on their environment and the meaning that particular culture has of communication. The concepts of high context cultures and low context cultures explain the differences of how Japan and the United States value and interpret messages depending on the environment and surroundings. Information about this topic that remains unanswered involves examples of reactions from Japanese and American business people after a conflict during negotiating, and how they specifically resolved the problem. Also, I would like to know more about how the Japanese culture conducts business negotiations amongst Japan compared to how they carry out business negotiations with business men and women from the United States. In conclusion, I believe that this topic will continue to grow and evolve with the global economy, and more research will be performed.

Conclusion

All in all, each case of negotiation varies from situation to situation but knowing the general rules and expectations of others can help both Japanese and American business people to understand each others’ ways of acting and thinking. In order to efficiently comprehend what another culture is communicating in a business situation, one must pay special attention to
language. Understanding cultural connotations and being aware of signals are two crucial aspects of communication among differing cultures. As expressed in Yumi Adachi’s article about business negotiations between Americans and the Japanese, “Culture in the business world is not the same as general culture. Even native speakers of the language learn business manners and practices, and cooperative culture when they actually engage in a real life setting” (Adachi, 2010, p. 19). This statement portrays the importance for both Japan and the United States to truly apprehend the meaning associated in all aspects of communication when conducting business. Understanding culture in the business sense will allow for a smoother negotiation between the United States and Japan.
References


