Culture and Negotiations

Why do Japanese negotiators behave in the manner they do?
How does culture affect negotiating behavior and outcomes?
I would like to thank my Mom, Barbara, for her understanding, encouragement and eternal support, as well as my advisor, Søren O. Hilligsøe, for his academic help, advice and faith in me keeping my deadline!

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In loving memory of my Dad, Władysław, for showing me the world – this one is for you.
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1. Introduction

This paper wants to provide a culture-based explanation, examination and analysis as to why Japanese negotiators behave in the manner they do in negotiation, as well as how culture affects negotiations and their outcome. The paper is, due to the focus on cultural differences, solely dealing with international negotiations.

This paper is focusing on the cultural aspect of the negotiation, which is only one piece of a larger puzzle, but it is a crucial and decisive piece. It is now widely accepted that culture indeed has an affect on negotiation and its outcome, which reflects a given culture and the underlying values and beliefs that are central and fundamental in a culture. The culture can be defined as being both behavior, a meaning system and a communication style, and there is a link between the dominant world view present in a given culture (Japan), and the negotiating style that appears to be characteristic of that culture. This paper is not to depict a stereotypical image of a Japanese negotiator, but merely to show that culture indeed does influence the behavior, negotiations and their outcome.

It should also be kept in mind that (a) the negotiation is a universal process, and (b) there are a number of contextual factors that too have an impact on the cultures’ impact on the negotiation – e.g. the nature of the other party (member of an in-group or an out-group), and the individual difference, although a member of a collectivistic culture tends to suppress his personality and individuality in order to maintain group harmony. This paper is to focus on a Japanese negotiator, who is dominated by his cultural values, and his interaction (in a negotiation) with a member of an out-group (foreigners and people that do not have a long term relationship with the Japanese negotiator), and a member of the in-group (fellow Japanese with established long-term relationships).

Several studies and surveys (e.g. Brett and Usunier) have shown that culture does affect the negotiation process and the final agreement or outcome of the negotiations. Nevertheless, while there have been a number of studies that have explored the behavior of negotiators from different cultures, only very few have dealt with the underlying reasons - why people from a given culture behave the way they do. Additionally, most theorists and scholars have relied on the value dimensions index, depicting the differences between cultures, developed by Hofstede between 1968 and 1973. Hofstede’s research has undoubtedly helped people understand other cultures, but there is also a need to understand the underlying reasons why people from a given culture behave the way they do – the so-called mental frames that are shaping the behavior of Japanese negotiators.
Otherwise, negotiators tend to create their own interpretation of the behavior of the other party, which without the necessarily cultural knowledge may lead to prejudices and ultimately lack of trust (Gudykunst & Kim, 2003: 125-160).

For instance, trust in individualistic societies is based on the fact that a promise that will be implemented on a specific time or day, whereas trust in collectivistic societies is based on emotions and relationships as well as on sacrifice.

The other party may thus think the Japanese negotiator do not want to reach an agreement within a week because they are difficult and want to sabotage the negotiation or untrustworthy, rather than the Japanese are relationship oriented rather than task oriented. They thus want to establish a relationship before they reach an agreement and need more time in order to reach an agreement because it is based on group consensus.

The paper starts by giving a definition and an analysis of culture and values in general in order to delimit and define the cultural framework that is the fundament of this paper. The culture and values of Japan are then to be described and discussed in order to show which cultural factors and dimensions in Japan determine and influence the Japanese negotiator, as well as serving as an introductory guide to Japanese culture and society - hopefully, the guide will present both useful and interesting knowledge to all those interested in cross-cultural negotiations and intercultural communication. Two frameworks are presented and used in order to gain deeper behavior knowledge of culture: Hofstede’s Cultural Dimension and Hall’s Silent Language and Beyond Culture.

Next, the paper discusses and analyzes Japanese negotiating styles and techniques\(^1\), and how they are influenced by the Japanese culture and cultural values. For this purpose, different aspects of verbal and non-verbal communication are to be discussed as well, and the paper is to analyze the meaning of these aspects in the context of negotiations.

Finally, the paper is to take a look at two real life cases involving Japanese negotiators in order to illustrate behavior patterns and negotiation styles and techniques of Japanese negotiators.

The author of this paper would argue that in an increasingly interdependent world, the ability to negotiate successfully is an important skill, and understanding the mindset and the behavior of the Japanese negotiator is essential and fundamental for successful negotiations.

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\(^1\) Mainly focusing on the male negotiator, being the dominant player during negotiations in Japan.
Being aware of the reasons why the Japanese negotiator behaves and communicates they way he does, one may be less surprised or shocked by Japanese behavior, and may be better at focusing on, and handling, the negotiation itself. Knowledge of culture and cultural values of the other party works as an uncertainty avoidance in negotiations, and helps building trust in stead of tarnishing it with prejudices, which ultimately leads to a dead lock or even break downs.

2. Method

The research concerning this paper was mainly carried out in the form of a desktop study method – all the data were carefully collected mainly from secondary sources, such as, studies, surveys, as well as statistics and articles. The paper is culture-based, and the chosen data depict this approach – all the scholars referred quoted and referred to are specializing in culture, intercultural communication, as well negotiating.

In order to give a general overview of the Japanese culture as well as to determine what type of values are predominant in Japan, the paper refers to and applies Hofstede’s five value dimensions index – masculinity/femininity, collectivism/individualism, uncertainty avoidance, long-term versus short-term orientation and power distance. Additionally, the paper is also to refer to Hall’s theory on the difference between high and low context and cultures, and the concept of Chronemics, in order to identify the Japanese culture and how these differences and concepts influence a negotiation.

Also, several historical concepts (e.g. the ie-concept, geographical isolation, Western influence, etc.) and Confucianism, which is one of the cultural dimensions that have influenced the Japanese worldview, are to be described and discussed in order to explain why the Japanese negotiator behaves in the manner he does, and how the historical events and Confucianism affect the culture and the behavior in Japan.

Hofstede’s work has been criticized over the years for being incomplete, static and too narrow. The paper is thus to discuss the critical perspectives on Hofstede in order to show that the author has been aware of the possible disadvantages, when using Hofstede’s five value dimensions index.
Additionally, Brett and Usunier are also discussed in the paper when dealing with the connection and interaction between culture and negotiation – how does culture affect negotiations. Both Brett and Usunier argue that in order to reach an agreement, the negotiators need to be aware of each other’s culture and cultural values, as well as understand the reasons for the way the other part behaves during negotiations.

Finally, two real life case studies have been analyzed in order to depict the culture-based theory described and discussed in this paper. The reason for using case studies was to give a more holistic portrayal of a Japanese negotiator, while analyzing the contents by seeking patterns and themes in the data while referring them to the culture-based theory (e.g. culture and values and how they influence ones behavior and negotiating style) in this paper. Additionally, using case study is the best way to obtain data for analysis when one is not able to make actual field studies by observing Japanese negotiators in action. Both case studies depict the Japanese negotiators interacting and negotiating with members of an out-group, the Americans. This is due to the fact that the author of this paper would argue that when observing two different cultures one observes reactions that may not be present when both parties had the same cultural background, which would ultimately result in a smoother negotiation. Additionally, this paper deals with international negotiations and the importance of knowing and understanding the other party’s culture and cultural values.

The case studies are thus used to highlight the focus of the paper - why Japanese negotiators behave in the manner they do in a negotiation, as well as how culture affects negotiations and their outcome.

3. Why Japan?

The author of this paper has chosen to focus on Japan and the cultural values and behavior of a Japanese negotiator due to the following factor: Japan’s consumer market. In order to know how attractive Japan is as a business associate, and thus how important it is to know the Japanese culture and negation behavior in order to win the market and succeed in the country, a brief description of the Japanese consumer market will now be given – its size, its consumers and its products. Japan is a closely populated and highly urbanized country with one of the most powerful economies in the world, currently amongst the top three economies in the world, although still rebounding from the collapse of the country’s economy back in 1991.
According to the Statistical Handbook of Japan, consumption expenditures increased by approximately 0.5 percent in real terms due to such factors as the indication of an economic recovery and improvement in consumer sentiment (Statistical Handbook of Japan, 20052: 158).

Statistical Handbook of Japan states:

As of May 2005, the excellent performance of the corporate sector is continuing, and overall business is recovering gradually. Recovery of employment is lagging slightly. However, the unemployment rate, which was 5.4 percent in 2002, recovered to 4.4 percent in May 2005. As seen in this state of affairs, there is some improvement, although harshness still remains. The growth of consumer spending, which slowed between the end of 2004 and early 2005, is showing signs of a resurgence (Statistical Handbook of Japan, 2005: 333).

Due to its geographical nature, Japan cannot supply all its needs for raw material for energy and fuel, metal products, and foods from indigenous resources, and is thus dependent on overseas supplies. In 1996 Japan had an overall deficit in food of about 30 % - in 2003 it was approximately 40 %.

According to Statistical Handbook of Japan, the present food self-sufficiency rate of Japan is the lowest among major industrialized countries, so Japan has thus become the world's largest food importing nation (Statistical Handbook of Japan, 2005: 694).

This makes Japan an attractive market with its 127 million consumers, where women are a majority and retired people outnumber the youngest age strata, and are thus the most significant consumer group (Reischauer, 1995: 25).

Additionally, the Japanese are well educated and households have a fairly disposable income, in which the majority of it is spent on food. According to the 2004 Family Income and Expenditure Survey, monthly consumption expenditure averaged ¥ 304,203 per household - with two or more family members excluding single-member households (Statistical Handbook of Japan, 2005: 1585).

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2 Appendix 1 - Household
3 Appendix 2 - Economy
4 Appendix 3 - Agriculture
5 Appendix 1 - Household
Japan is the world’s largest net importer of agriculture and food products (in 2003 alone, the country has imported over 60% of its food supplies), amounting to US$ 40 to 50 billion annually. Thus, the Japanese food market is powerful but demanding (Agri-Food Country Profile: Japan, 2003: 16). Needless to say, it is a relatively difficult task to target a foreign, and rather remote, market as it may require extra resources and special cultural knowledge. Therefore, it is valuable to study the values and the culture of Japan before entering the country’s market in order to promote and sell a product.

4. Definition of Culture and Values

This chapter is to describe and define culture and values in general in order to delimit and define the cultural framework that is the fundament of this paper. At first glance, the human race behaves more or less alike – we smile, laugh and cry. We talk, gesticulate, and perform actions. Nevertheless, our behavior is influenced by our cultures – through the norms and rules existing in our society. Our cultures also affect our communication through the individual characteristics we learn when we are socialized into our culture. In short, our culture provides us with a system of knowledge that generally allows us to know how to communicate with other members of our culture and how to interpret their behavior. Culture can thus be defined as an underlying framework that guides an individual’s perceptions of observed events and personal interaction, and thus directly influences what people will do and what they can do. In short, knowing and using culture and its many dimensions is a must know negotiating with foreigners.

Culture includes all learned behavior and values that are transmitted through shared experience to an individual in a society.

According to Sir Edward Taylor, a classic definition of culture is as follows:

“Culture is that complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by (individuals as members) of society.” (Taylor, 1871: 1).

Culture is thus everything that people have (objects), think (ideas, values, attitudes, beliefs), and do (behavior) as members of a particular society. Culture is made up of material objects, ideas, values and attitudes, and behavior patterns (Gudykunst & Kim, 2003: 14-19, Yokochi & Hall, 2001: 193).

Appendix 4
Additionally, according to Hall, a culture must have the following three characteristics:

1. It is learned; people over time transmit the culture of their group from one generation to another
2. It is interrelated; one part of a particular culture is deeply interconnected with another part – e.g. religion with marriage, or education and work with social status
3. It is shared; the basic concepts of a particular culture are accepted by most members of the group.

In other words, culture develops through recurrent social relationships that form a pattern that is eventually adapted by members of the entire group, and transmitted to new members through the process of learning and interacting with ones environment and other members of ones culture (Hall, 1977: 16).

The most fundamental aspect of our culture consists of values. Values are acquired in the family, during the first years of our lives, further developed and confirmed in school, and reinforced in work organizations and in life within a national cultural environment. Values determine what we consider to be good and evil, beautiful and ugly, natural and unnatural, rational and irrational, normal and abnormal (Ghauri & Usunier, 2003: 97-100, 137-138).

Values too are a major influence and determination factor when it comes to behavior and communication during a negotiation. Values are defined by the particular culture, hence the importance of understanding the value concept and culture when negotiating with foreigners.

One of the early U.S. researches of values, Milton Rokeach, defines a value\(^7\) as:

"An enduring belief that one mode of conduct or end-state of existence is preferable to an opposing mode of conduct or end-state of existence".

According to Rokeach values are thus both guiding principles in life, and preferences for one mode of behavior over another. Values are depicted in the general norms of a culture (what is right and wrong), and they are depicted in what we want and what we consider important for ourselves. Values are also among the very first things children learn – implicitly – by observing the community, *kyodotai* in Japanese (e.g. parents and people around them).

\(^7\) An attitude, on the other hand, refers to an organization of several beliefs around a specific object or situation.
According to the American development psychologist, Daniel Yankelovich, most important
traditional values will remain firm and constant over time, and are thus stable and enduring
through generations (de Mooij, 2004: 22-26).

It is thus essential to remember that the intercultural communication and negotiation are
never far from cultural considerations (Roth, 1982: 6). This assumption was mistakenly
conceived from the converging technology and the spread of the English language that was
taking place globally (de Mooij, 2004: 1-18). One has to remember though that globalization is
not an entirely new phenomenon. In fact, some would argue that it even dates back at least to
the Marco Polo’s voyages in the 1300s, and the fundamental values of the many different
cultures have not changed significantly since then. People still live in the local. We define
ourselves by our differences. It’s called identity – self, family and nation” (de Mooij, 2004: 16).
Human behavior is learned and growing up in a culture, a person is taught values, perceptions,
wants and how to behave from the family and other institutions (Lasserre & Schütte, 1995:
49-59).

For instance, in today’s Japan, group harmony is still dominating the nation's behavior,
seniority by age is still respected, and promotion in most public and private organizations is
based on the length of service, which is usually connected to the age of the individual.
Reciprocity is emphasized in social relations in order to maintain a long-lasting relationship.
Values and traditions do not easily change in a society.

5. Hofstede’s value dimensions

This chapter is to describe and discuss the Dutch professor, Geert Hofstede’s, value dimension
index, which is based on the first international survey taking place in IBM in more than 50
different countries from 1968 to 1973 (Hofstede, 2001: xv), mainly focusing on Japan in order
to determine what type of culture is present in Japan. According to Hofstede, the way people
perceive and interpret their world varies along five dimensions, and are as follows: power
distance, uncertainty avoidance, collectivism/individualism, and masculinity/femininity. Finally,
Hofstede added a fifth dimension called long-term orientation in life versus short-term
orientation. Each of the countries in Hofstede’s study has been ranked according to their
scores in each dimension.
According to Hofstede a dimension is:
“...an aspect of a culture that can be measured relative to other cultures.”

Additionally, Hofstede defines culture as:

“The collective programming of the mind that distinguishes the members of one group or category of people from another” (Hofstede, 2001: 9).

### 5.1 Power distance

Power distance refers to the inequality among people, which the population of a country considers acceptable. There is inequality in all societies, and thus there will always be some people who have more power than other. In some cultures power is concentrated among a few people at the top, who make all the decisions, whereas people at the other end simply carry out these decisions. Such cultures are associated with high power distance levels. In other cultures, on the other hand, power is widely spread and relations among people are more equal. These are low power distance cultures. (Hofstede, 1991: 23) According to Hofstede’s value dimensions Japan scores 55 points – placing it in the middle of the index (Hofstede, 1991: 26). In countries which have a high power distance employees dislike to disagree with their superiors. Superiors are seen as paternalistic, and subordinates expect to be told what to do. There is also a large emotional distance between subordinates and their superiors (Hofstede, 1991: 28).

When it comes to family and school, parents will teach children to be obedient and the children will treat their parents with respect, just as students will treat their teachers with respect. In high power distance societies inequalities among people are in general expected and desired (Hofstede, 1991: 37).

In Japan this inequality is especially expressed in the oya-ko concept (literally meaning parent-child), which originally refers to a leader or a work group and its members. As work and home began to separate during the beginning of modern period of Japan oya and ko began to have a strictly kinship meaning – with no economic aspect – such as it had until the Tokugawa period where the ie (extended household) was more than just a family or a kinship unit – it was an economic organization in which each of its members (not always related to each other by blood or marriage) contributed towards it (Harumi, 1971: 38-39).
5.2 **Uncertainty avoidance**

Uncertainty avoidance describes the need or lack of need a society has towards written or unwritten rules and how it deals with structured or unstructured situations. At the organizational level, uncertainty avoidance is related to factors such as rituals, rules, and employment stability. People in less structured cultures face the future without experiencing unnecessarily stress. The uncertainty associated with future events does not result in risk avoidance behavior. On the other hand, in cultures where people experience stress in dealing with future events, high uncertainty avoidance cultures, various steps are taken to cope with the impact of uncertainty: e.g. long-time planning in order to minimize the anxiety associated with future events. Japan scores 92 points and is seen as a country with high uncertainty avoidance, where there are many regulations and a strong etiquette in order to avoid uncertainty (Hofstede, 1991: 113).

5.3 **Collectivism versus individualism**

According to several researchers within the field of culture, individualism versus collectivism is one of the basic pattern variants that determine human action. It is a pattern that is visible in every day life, as well as being present in the interaction between people. Individualism indicates the degree to which people of a particular culture learn to act as individuals rather than as members of a group.

It is essential to remember that all people and cultures possess both individual and collective traits, but at the same time one of these traits is always more dominant or more visible than the other (Samovar & Porter, 2004: 59). A typical collectivistic culture distinguishes between in-groups (relatives, clans, and organizations), and out-groups (the rest of one's network). One's in-groups can be defined as one's extended family – like the one found in the Japanese society throughout the history; also known as *ie*.

People from individualistic cultures are self-centered, and feel relatively little need for dependency on others. They seek the fulfillment of their own goals over the goals over the groups. Additionally, people from individualistic cultures are competitive, and show little loyalty to the organizations for which they work.
People from collectivistic cultures, on the other hand, have a group mentality (with e.g. joint decision making), where they suppress and subordinate their goals for the sake of the group. They are interdependent on each other and seek mutual accommodation in order to maintain group harmony. People in a collectivistic culture expect that their in-groups will take care of them and in return they owe the in-groups a great deal of loyalty and submission (Samovar & Porter, 2004: 61). Children who grow up in collectivistic societies are expected to show lifelong loyalty to the group (Hofstede, 1991: 50-51).

In short, individualism versus collectivism, deals with the degree to which one thinks in terms of I versus we - either ties between individuals are loose or people are part of cohesive in-group throughout their lives (Samovar & Porter, 2004: 61). Contrary to the stereotype, Japan actually ranks in the middle of this dimension, with 46 points – but is still defined as being a collectivistic culture (Hofstede, 1991: 67).

An interesting theory stated by Kumon Shumpei, a Japanese anthropologist, characterizes Japanese as contextualists rather than collectivists, as is the case in both Hofstede and Hall’s studies. A contextualist retains a personal identity, which the collectivist probably loses, but this personal identity is virtually inseparable from the contextual identity. Thus, the individual changes, depending on the context he is in or the people he is with. One of the arguments Kumon makes to support the theory is that most Japanese belong to in-groups in order to reach a self-realization. But one could argue that even in these “self-realization in-groups” the members strive to maintain harmony and act for the benefit of the group, making them predominantly collectivistic (Hendry, 1998: 22-39).

### 5.4 Femininity versus masculinity

One of the main differentiations between masculine and feminine cultures is how gender roles are distributed in cultures. Thus masculine cultures create clearly distinct gender roles; men are supposed to be self-confident, tough and concerned with the material aspect of life, whereas women are expected to be modest, tender and dealing with the quality of life. Thus according to Hofstede Japan is a highly masculine culture (Gudykunst & Kim, 2003: 77), whereas in masculine countries both people are taught to be ambitious and competitive. It should be mentioned though that females’ ambitions are sometimes directed towards the achievements of their brothers and later in life their husbands and sons. According to Hofstede’s index, Japan is one of the more masculine countries, scoring 95 – ranking as number one (Hofstede, 1991: 96).
5.5 **Long-term versus short-term orientation**

Michael Harris Bond originally found the fifth dimension in the answers of student samples from 23 countries in 1985 in Hong Kong, and later it was incorporated by Hofstede in his value dimensions index. The reason why this dimension was not found in the original IBM data was due to the fact that the IBM questionnaires were composed from the minds and values of Westerners – whereas the fifth dimension was composed from the minds and values of Easterners. The fifth dimension, nevertheless, is present across all 23 cultures taking part in the survey (Hofstede, 2001: 71-73).

Long-term orientation, also known as Confucian Dynamism, is composed of the following values: being determinate or firm, prudent, arranging relationships by status as well valuing interpersonal relationships, as well as having a sense of shame, saving ones face, having a great deal of respect for tradition and reciprocation of greetings, favors and gifts. Japan ranks as number 4 on the Long-term Orientation Index Values, with 80 points (Hofstede, 2001: 351-356).

6. **Critical perspectives on Hofstede**

There has been a great deal of critique of Hofstede’s value dimensions when dealing with culture analyses, which this paper will shortly discuss – simply to show that the author of this paper is indeed aware of the advantages as well as disadvantages when using Hofstede’s value dimensions in order to analyze a specific culture.

One of the most recent Danish critical analyses was performed by Susan Baca at the Aalborg University where it is being argued that Hofstede’s IBM-based rapport which is supposed to depict characteristic traits visible in cultures cannot be used simply due to the fact that IBM-employees from a specific culture cannot be representative for the culture in question as a whole (Baca, 1999: 11). One can argue that since Hofstede published his IBM-based rapport several other culture-analytics (e.g. Triandis, Brislin and Bond) have made further analyses, which do not exactly contradict Hofstede’s value dimensions.

These analyses both support Hofstede’s dimensions, as well as having reached the same conclusions. One can also add that since the amount of IBM-employees amounted to hundreds of thousands it is only logical to conclude that one did find enough traits, which can be viewed as characteristic for the cultures in question.
Another aspect of Hofstede’s survey-based value dimensions, which is being criticized is the fact that his model is static, and can ultimately not be used because surely the cultures in question studied by Hofstede must have changed over the time since he performed the survey from 1968 to 1973. This is one of the reasons why the paper is looking at the cultural and historical influence on Japanese behavior over time – in order to see if Hofstede’s value dimensions are still valid in the Japanese culture that this paper is dealing with.

Susan Baca is also criticizing Hofstede for actually separating a given culture into several, isolated dimensions, strongly supported by Turner and Trompenaars. For instance, Hofstede is depicting the American culture as highly individualistic, but does not describe the interaction people have with each other among the different in-groups – and if one can categorize this interaction as being highly individualistic as well or not (Baca, 1999: 15). To this, the author of this paper can only say, using Hofstede’s own words that this paper’s main task is to study cultures, and not individuals. (Hofstede, 2001: 15).

Additionally, in order to back up Hofstede’s theory, this paper is also to refer to Hall’s theory on Chronemics as well as a more general cultural analysis of the Japanese culture.

7. Edward Hall

Another cultural framework used in this paper in order to gain deeper behavior knowledge of the Japanese culture, is Hall’s concept of Chronemics as well as his theory on low-context and high-context cultures.

According to the American sociologist, Edward Hall, the world is divided into monochronic and polychronic culture, also known as the concept of Chronemics. It is a nonverbal behavior that speaks to how people use time to communicate. Lateness, for example, can communicate messages of power (waiting in the doctor's office), attraction (arriving early for the first date), or identity (being “fashionably late”).

Chronemics, like all other nonverbal behavior is culturally based. Different cultures have different rules governing the use and meaning of time. Hall’s distinction between monochronic and polychronic cultures highlight the different ends of the cultural spectrums of how culture’s view time. A culture’s conception of time can thus be examined from Hall’s monochronic and polychronic classifications.
Monochronic cultures see time as a measurable, quantifiable entity, which is linear. Thus, being punctual, scheduling, planning tasks to match time frames are valued behaviors. In the monochronic culture time becomes a concrete and segmented reality where only one thing can be done at a time without interruptions. Additionally, in negotiations, monochronic people’s main focus is on goals, tasks and results, rather than relationships.

Polychronic cultures, on the other hand, tend to view time as nonlinear – almost as a general guideline, which has no substance or structure. There is thus a circular or cyclical quality to time. Punctuality and scheduling is done but rarely found in monochronic cultures.

Additionally, people from polychronic cultures are able to do many things at one time, and do not mind interruptions. Because time is not linear or segmented, matching specific activities with specific time frames is not done. Times and activities are fluid. Finally, in negotiations, polychronic people’s main focus is on relationships and people. Japan belongs to the polychronic cultures. In a negotiation context, the Japanese want to get to know their business counterparts, and they feel that the best way to do so is by engaging in long conversations with them. This reflects the fact that the Japanese culture is long-term relationship oriented. Negotiators from polychronic cultures are thus relationship-focused.

Monochronic and polychronic time orientations tend to produce two other significant cultural phenomena: the difference between high and low context cultures, which refers to the fact that when people communicate, they take for granted how much the listener knows about the subject under discussion. Negotiators from monochronic cultures are thus deal-focused.

Although Edward T. Hall classified Japan as a polychronic culture, Gesteland argues that the Japanese business people expect strict punctuality in meetings and close adherence to schedule. Punctuality in Japan might be ruled by the high level of uncertainty avoidance and the maintenance of group harmony, which is essential for the Japanese culture.

Hall also discusses and distinguishes between high-context and low-context cultures. He views meaning and context as being interconnected. The difference between high and low context cultures depends on how much meaning is found in the context versus in the code.
One can think of "code" as the message, and of "context" as setting or circumstance, including the people, in which the message appeared. In low-context communication, the listener knows very little and must be informed about every detail. In high-context communication, on the other hand, the listener is already 'contexted', and does not need to be given much background information.

According to Hall, low-context cultures, such as the American culture, tend to place more meaning in the language code and very little meaning in the context. Communication tends thus to be specific, explicit, and analytical. In analyzing messages, low-context cultures tend to focus on "what was said" and give literal meaning to each word.

Low-context cultures tend to use a direct verbal-expression style in which the situation context is not emphasized, important information is usually carried in explicit verbal messages, people tend to directly express their opinions and intend to persuade others to accept their viewpoints, and self-expression, verbal fluency, and eloquent speech are valued.

In high-context cultures, on the other hand, such as the Japanese culture, meaning is embedded more in the context rather than the code. In this case, "what was said" cannot be understood by the words alone - one has to look at who said it, when they said it, where they said it, how they said it, the circumstances in which they said it, and to whom they said it. Each variable will thus help define the meaning of "what was said."

Hall states:

*People raised in high-context systems expect more from others than do the participants in low-context systems. When talking about something that they have on their minds, a high-context individual will expect his interlocutor to know what's bothering him, so that he doesn't have to be specific. The result is that he will talk around and around the point, in effect putting all the pieces in place except the crucial one* (Hall: 1977, p. 98).

This is also the case with the behavior of a Japanese negotiator – he expects the other party to know exactly what he wants to obtain from the negotiation, and what type of a deal he is looking for.
In short, the difference between high and low context cultures depends on how much meaning is found in the context versus in the code, or, in high-context exchanges, much of the "burden of meaning" appears to fall on the listener. In low context cultures, the burden appears to fall on the speaker to accurately and thoroughly convey the meaning in her spoken or written message.

Conclusively, according to Hall, Japan and the Japanese negotiator belongs to the polychronic culture type. Thus, in a negotiation context, the Japanese want to get to know their business counterparts by engaging in long conversations with them. This again reflects the fact that the Japanese culture is long-term relationship oriented.

Additionally, Japan is a high-context culture, where meaning is embedded more in the context rather than the code. Japanese negotiators expect thus more from the other party and when something is bothering them, they tend to express this indirectly (for instance by using silence) (Cohen, 1997: 159-160, Rowland, 1993: 68-69).

Finally, although Edward T. Hall classified Japan as a polychronic culture, Gesteland argues that the Japanese business people expect strict punctuality in meetings and close adherence to schedule.

Punctuality in Japan might be ruled by the high level of uncertainty avoidance and the maintenance of group harmony, which is essential for the Japanese culture (Hall, 1973, 1977, Gudykunst & Kim, 2003: 69, 179-180).

8. Cultural Dimensions

This chapter is to discuss and analyze which values and cultural dimensions that are present and dominant in Japan in order to understand the behavior of a Japanese negotiator:

- Confucianism
- *Ie*
- The WA-concept
- Isolation – geographical & political
- Uniqueness
- Western influence
8.1 Confucianism

The cultural perspective has for some time provided the dominant paradigm in comparative studies management, organization and cross-cultural negotiations. Even before Hofstede’s survey on cultural values, international studies of organization generally regarded culture as the key explanatory factor for cross-cultural differences.

One of the most important influences on Japanese everyday life, culture and behavior was, and still is, Confucianism, which entered Japan via Korea in the 5th Century.

Japanese culture and behavior reflect the values of collectivism and harmony, and are highly inspired and influenced by Confucianism. Confucius (Kongzi, 551-479 BC) writing around the time of Socrates but a while before Jesus Christ, based his ideas on absolute respect for tradition, on a strict hierarchy of primary relationships between family-members, and then again between the people and their rulers. His philosophy was intended to guide people’s everyday life, to regulate social behavior, and it established a mode of thought and habit that has persisted and that blended well with other belief systems that were and still are present in Japan, such as Buddhism and Shinto.

The central concepts of the Confucian ethic were summarized in the Three Cardinal Relationships: ruler guides subject, father guides son, and husband guides wife), five constant virtues (benevolence, righteousness, propriety, wisdom, and fidelity, and the doctrine of the mean (harmony). In this teaching, emphasis is on the obligation of the inferior to the superior. The assumption is that society needs a hierarchical order in which every individual has his or her own place, and the peace and harmony prevail if everyone follows the proper manner of conduct. These concepts are the fundament of the Japanese society to this very day. Also, the Confucian teachings emphasized uprightness, righteousness, loyalty, sincerity, reciprocity, and benevolence as personal virtues.

The principle of filial piety was especially useful during the Tokugawa period when family was the social and economic unity of society. Occupation and property belonged to the family. Continuation of the family line was thus a primary concern because it was a necessity for keeping ones position and income. Individuals often sacrificed their happiness to ensure survival of the family. After Japan was centralized under the Meiji government in the 19th century, the concept of filial piety was expended to embrace the idea of loyalty to the emperor, who was regarded as the father of the nation.
The Confucian concepts of hierarchy in human society and respect for age were useful in the feudal society, also during the Tokugawa period, which was structured hierarchically. Its stability rested on individual’s dutiful fulfillment of obligations to their superiors and maintenance of proper conduct in daily life. The general rules of conduct were respect for seniors in social rank and age, and acknowledgement of the superiority of man over women.

Additionally, Confucius laid down that Ren or benevolence was the supreme virtue the follower can attain. As a strictly natural and humanistic love, it was based upon spontaneous feelings cultivated through education. In order to attain Ren, you have to practice Li, which represents social norms.

The latter can be interpreted as rituals, rites or proprieties and includes all moral codes and social institutions. As Li is a term for moral codes and social institutions, one could assume that the practice of Li is to enforce social conformity at the cost of the individual. However, an individual personality is not an entity cut off from the group. According to Confucius, in order to establish one self, one has to establish others. There is interdependence between the individual and the group that is essential in order to create harmony.

The strong Japanese cultural preference for basing business transactions upon the quality of inter-personal relationships and for settling disputes through mediation rather than relying upon contracts and legal process can be seen to stem from this philosophy (McGreal: 1995). According to Confucius, all societies deal with survival, production, distribution, and consumption – yet they all develop different systems in order to survive and obtain their ultimate goals and aims. Things have changed in the Japanese society when it comes to material and technological development.

As far as human relations and communication with foreigners are concerned, things have not changed. One can say that Japan has modernized, but it has not westernized just yet (Kodansha, 1994: 202-218, McGreal, 1995: 5-7, Cohen, 1997: 159-160, Gudykunst & Kim, 2003: 80, 119, 217, Samovar & Porter, 2004: 213-217).

8.2 Ie

Japan is a Shinto, Confucianism and Zen Buddhism inspired culture, Confucianism being the fundament, where everything and everyone is connected and relies on each other in order to exist.
The concept of ie, or extended household/kinship unit in traditional Japan, thus containing more than close family members all living under the same roof – and under the authority of one male, describes this way of thinking, or the Japanese values, the best. The main focus in ie is on in-group benefits, harmony and family – where interdependence and togetherness is essential (de Mooij, 2004: 100-1003, Harumi, 1971). Although the ie-concept does not formally exist in the original form, as it did during the pre-modern or feudal Japan, one still finds it in the underlying values of the Japanese people.

The ie-concept became dominant and visible during the Edo or Tokugawa period (1600-1867), where a strict political regime was introduced by the Tokugawa family, who, besides retaining large estates, also took control of major cities, ports and mines in Japan.

Under Tokugawa rule, Japan entered a period of national seclusion (sakoku), where the Japanese were forbidden to travel to or return from overseas or to trade abroad. Only the Dutch, Chinese and Koreans were allowed to remain and they were placed under strict supervision.

Additionally, to ensure political security, the daimyō were required to make ceremonial visits to Edo every other year, and their wives and children were kept in permanent residence in Edo as virtual hostages of the government. The cost of this constant movement and the family ties in Edo made it difficult for the daimyō to remain anything but loyal.

At the lower end of society, farmers were subject to a severe system of rules, which dictated their food, clothing and housing. Social mobility from one class to another was blocked – social standing was determined by birth.

Additionally, women in the Japanese society were fully submitted men. Women were submitted either their fathers, husbands or in the case of widows, their eldest son – with no legal rights. Ie means extended household - thus containing more than close family members all living under the same roof – and under the authority of one male.

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8 Ie was formally abolished in 1947 with the introduction of the New Constitution, which prescribed a more "Democratic" family system based on equal rights of husbands and wives.

9 Inspired by Confucianism.

10 This submission was further supported by the Civil Code of 1898, which placed women in the family under the authority of men.
The patriarchal family structure, *ie*, was officially abandoned in 1947, but one can still sense its presence, in a revised form, in today’s Japanese society – both in the corporal system where the chief executive is the male, who has been working for the company longest time, and in family life where women take care of children and men provide for the well-being of the family.

Nevertheless, the rigid emphasis of these times on submitting unquestionably to rules of obedience and loyalty has lasted to the present day.

Today the *ie*-concept is still visible in that Japanese businessmen do not entertain their business associates at home. There is both a practical and a social reason for not doing so. First of all, the typical Japanese home is small and a larger group of people simply cannot fit in. Second, “Home” for the Japanese is very private. It is generally only open to relatives, long-time friends, children’s friends and their own family – the so-called in-group.

Additionally, salary has for many years been linked to the age of employees until they entered their forties to fifties age - a male worker had thus a lifetime-employment guarantee until they reached their fifties. However, this system does not operate in small-business sector. The seniority system is one of the special characteristics of Japanese employment practices. Since the 1990s, however, there has been a substantial increase in the number of companies, who are reconsidering this type of employment system, and progress is being made in introducing a new compensation system based on employee’s performance rather than their age and the amount of time they have worked for the company in question (Sugimoto, 1997: 80, Kodansha, 1994: 117-118, Hendry, 1998: 22-39).


### 8.3 The *Wa*-concept

According to Wierzbicka, cultural values and behavior of a particular culture can be found in a core concept. For Japan this core concept is *wa*, which means harmony, unity or the desire to be one with those of your in-group. The *wa*-concept illustrates the concept, with several aspects (please see below), that although people have differences, it is the most convenient when people want the same thing at the deepest level.
This deep level of sharing underlies the desire for harmony at the interpersonal level, as well as a high level of consideration of others within one's group, and creates a unity among members of the in-group. In Japan, individuals are thus expected to act in ways that protect the unity or _wa_ of the in-group (Wierzbicka, 1992).

The several aspects, which the _Wa_-concept consists of, are described and discussed below:

**Enryo** is an aspect that is encompassed in _wa_, illustrates the effort of avoiding explicit opinions, assessments, or other displays of personal feelings. It is thus a form of self-restraint that prescribes the bringing of attention to oneself and one's personal desires in order to avoid having others think badly of one.

Japan has been categorized as a high-context culture, and in a communicative context, the meaning is often implicit. The focus is thus on the listener and his or her ability to understand implicit messages. **Sasshi** refers thus to the ability to guess or intuit another person's meaning without that person having to express it directly. Implicit communication is essential in a collective culture where maintaining harmony and avoiding conflicts is essential.

**Amae** refers to a form of mutual dependency, or a relationship in which one person is in a protective stance toward another (Wierzbicka, 1992). The desire for amae motivates one to belong to a group and depend on another person. Amae emphasizes thus a protective relationship and a mutual dependency between the members of the in-group.

**Giri** refers to a type of obligation felt toward others who have done something good for the person. According to Befu, it is a “moral imperative to perform one's duties toward members of one's group” (Befu, 1986: 162). It is also a long-term relationship and a sense that one will be forever in the other person’s debt.

This sense of obligation is very typical in a culture that stresses the wa-concept as well as in collectivist cultures, where members of the in-group are closely tied to each other.

**Awase** refers to the ability to always be able to adjust to the situation or the circumstances. The self is thus constantly changing and moving with the situation, whereas the group is constant and needs to be maintained. Thus, maintaining _wa_ equals being flexible in situations, and not on consistently following one's principles.
**Kenson** involves discounting ones abilities and to avoid standing out in order to maintain the status quo of a relationship. *Kenson* is sometimes manifested in a verbal apology, and it demonstrates a desire not to disturb the nature of the relationship, and a desire to maintain group harmony. For instance, a speaker may begin his or her speech by apologizing to the audience for his or her low status or insufficient knowledge on the topic – this depicts humility.

**Kata** refers to the constant and familiar way something is done. In Japan, there is a *kata* or form for almost everything – from the way one plays ball to the way one performs a tea ceremony. The Japanese thus value form over function and process over outcome – an important element to remember when involved in negotiations with the Japanese. This again refers to the uncertainty-avoidance that is present in the Japanese culture, which illustrates itself in the form of strict rules and regulation (Wierzbicka, 1992, Gudykunst & Kim, 2003: 53-54).

### 8.4 Isolation

Another dimension characterizing Japan is the historical separateness of Japan from the rest of the world\(^\text{11}\), and the strong belief in the uniqueness of the Japanese culture and society. Its distance from the Asian continent and from the rest of the world had a crucial influence over the formation of the Japanese society and culture.

The isolation began during the Tokugawa period when the Tokugawa government was trying to create relative peace and security. Instead, the government was facing stagnation, corruption and isolation. Famines and poverty among the peasants and samurai weakened the system even further.

Additionally, foreign ships (from Russia, Britain and the USA) started to examine Japan’s isolation with increasing insistence, and Japan realized that their defenses were outdated and ineffective. In 1853, Commodore Matthew Perry of the US Navy arrived with his famous “black ships” to demand the opening of Japan to trade, followed by other countries.

This resulted in a stream of antigovernment feeling among the Japanese due to the fact that it failed to defend Japan against foreigners and of neglecting the national reconstruction and modernization.

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\(^{11}\) The first contact with the West occurred about 1542, when a Portuguese ship, blown off its course to China, landed in Japan.
After 200 years of total isolation from the outside world – due to the fear of Western and Christian invasion or superiority, Japan agreed to open the country to the outside world.

Nevertheless, 200 years of isolation has resulted in a rather great amount of regulations, etc. (one may argue that this is a hidden form of protectionism) that are there in order to adopt an e.g. Western product to the needs and circumstances of the Japanese culture.

This separateness, or isolation, has also caused the Japanese to be extremely aware of anything that comes from outside, and they thus strongly distinguish between foreign and native culture, as well as its products and innovations (Reischauer, 1995: 32, Kodansha, 1994: 32-37, 131-132, Wakaba, 1996: 4-12).

8.5 Uniqueness

The Japanese people have long believed that they are the children or descendants of gods, living in a divinely land. In the 18th century, the scholar, Motoori Norinaga, was responsible for resurrecting ancient myths about Japan and the Japanese.

Before Norinaga’s time, Japanese scholar viewed China and its civilization as the most important in the world. Norinaga attacked this view, claiming that Japan was superior to any other country in the world. According to him, Japan was the country where the Sun Goddess was born, making it the epicenter of all other nations.

With the appearance from the early 19th century of Russian, British, and other foreign ships in the waters of Japan, there was an intense debate on how to react, since the country had had a policy of isolation from the rest of the world for two hundred years. The military government thus attempted to promote hate and fear of foreigners by law12.

In 1825, Expulsion Edict was implemented, prohibiting all barbarians and Westerners from entering Japan. If a foreign ship was seen, it was fired upon and driven off. If foreigners went ashore, they were captured and their ship destroyed.

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12 Antiforeign attitudes in Japan have generally been limited to the official level.
The belief in superiority and uniqueness of all things Japanese have weakened but not entirely disappeared in the present-day Japan. Although this extraordinarily chauvinistic mentality was temporarily restrained after the defeat in WWII, the post-war “economic miracle” has re-awakened the feelings once again. Nevertheless, the rigid, exclusive world view that has been present in pre-1945 Japan, no longer dominates the country.

Ultra-nationalism has been discredited – at least in mainstream social, political, and intellectual life. The ideology that has its place is a set of rules by which society generally has learned to operate efficiently. The set of rules are learned from parent, the authority figures, the educational system and the mass media, and contain among other things social solidarity, or collectivistic behavior and thinking, hierarchical social structure, or power distance, role playing, or tatemae, reciprocal obligations, or group harmony.

Although this set of rules is far weaker than the pre-war ultra-nationalistic ideology, it is still more rigid and omnipotent than those of e.g. Western societies. In Japan, the rights of the group are thus prioritized over those of the individual, and there are rules for most activities, creating a dependency on others and on group, which again reinforces an ideal of rules, group harmony and collectivism.

The Japanese ideal portrays men and women behaving modestly, speaking prudently, and avoiding offending others and maintaining in-group harmony. For them, the ideal of individualism is un-noble, risky and illogical. The Japanese desire people to be polite, courteous and indirect with each other. The Japanese are only frank on rare occasions, striving to put the best face, as well as save face, on themselves and situations (Cohen, 1997:146-147, 184-186, 224).

To express what one really thinks or feels in Japan is regarded as uncultivated and vulgar. The Japanese do not see themselves in first place as individuals, but as group-oriented members. The social group gives them approval, identity and companionship, status, and meaning as such with their lives. All the group members are interdependent. Matsumoto used a food model in order to describe human relations in Japan, calling it nattō (fermented soybeans).

Fermented soybeans sit in sticky glue of starch, and it is impossible to extract one without pulling out the others – they are all connected by the same glue. According to Matsumoto, the beans represent the closeness and interdependence present in the Japanese culture (March, 1996: 15-34, Kodansha, 1994: 32-37, 131-132, Wakaba, 1996: 4-12).
8.6 Western Influence

The Japanese culture has been greatly influenced by Western cultures throughout the years, such as the British, the Prussian (e.g. in 1889, Japan created Western-style constitution - greatly influenced by Prussia), the Portuguese, and the American. The Western influence entered the shores of Japan through trade, Christianity (missionaries) and war (WWII and the American occupation), as well as through cultural and business exchanges (e.g. through travels and international business).

During the mid-16th Century, the Europeans made their first appearance on the shores of Japan. The first Portuguese to be shipwrecked in 1543 found an appreciative Japanese reception for their skills in making firearms. The Jesuit missionary, Francis Xavier, arrived in 1549, and was followed by more missionaries who converted local lords to Christianity (several hundred thousand converts particularly in Nagasaki) – keen to profit from foreign trade and assistance with military supplies. Initially, the Japanese emperor saw the advantages of trading with Europeans and tolerated the arrival of Christianity as a counterbalance to Buddhism. However, this tolerance gradually turned into suspicion of a religion, which he saw as a threat to his rule. This suspicion resulted in rulings against Christianity and the crucifixion of 26 foreign priests and Japanese believers in 1597.

The prohibition and the prosecution of Christianity continued under the Tokugawa government until it reached its peak in 1637 with the brutal suppression by the authorities of the Christian-led Shimabara Rebellion. This put an end to the Christian Century although the religion continued to be practiced secretly until it was officially allowed at the end of the 19th Century. Additionally, in order to eliminate Christianity's presence in Japan, it was required for every family to register a Buddhist temple, becoming a familiar scene in every community. Because of this religious policy, all Japanese today are Buddhist by default.

The Western influence continued during the Meiji period (1868-1912) when the Japanese economy underwent a crash course in westernization and industrialization. An influx of Western experts was encouraged and Japanese students were sent abroad to acquire expertise in modern technologies.

During the Meiji period, the process of modernization and industrialization took place in Japan, inspired by Western philosophers. An almost obsessive admiration and adaptation of Western ideas and culture had taken place during this period.
By the 1890s, the Japanese government leaders were concerned by the spread of liberal Western ideas and encouraged nationalism and traditional Japanese values. Japan was becoming more confident and an equal player to the Western powers, resulting in the abolition of foreign treaty rights and, in the years to come, in nationalism. This continued till Japan’s defeat in WWII, and the American occupation. The main aim of the occupation was to reform the Japanese government through demilitarization, the trial of war criminals and the removal of militarist and ultranationalists from the government. Additionally, a new constitution was introduced, which dismantled the political power of the emperor, forcing him to publicly reject any claim to divine origins. Once again, Japan was influenced, if not ruled, by Western powers.

Finally, in the late 19th century, Western Europe became its model for modernization. This has resulted in a love-hate relationship, where the Western culture and traditions are admired by many Japanese, especially the younger generation, but at the same time, Western culture is being adapted to the Japanese culture (Kodansha, 1994: 32-37, 92-99, 131-132, 147-310, Wakaba, 1996: 4-12).

Conclusively, the six cultural dimensions described and discussed in this chapter have shown that cultural, historical and social aspects in a society help creating norms, behavioral patterns and cultural values. For instance, Confucianism and the concept of ie created a hierarchical culture, created the omnipotent concept of oya-ko (as well as the concept of ie), which created proper manner of conduct in order to maintain group harmony.

Additionally, the practice pf Lit created and enforce social conformity at the cost of the individual, which led to the collectivistic culture one sees in Japan today.

Finally, the emphasis on interpersonal relationships (the concept of ie, where everyone is interconnected)) and mediation grounded the manner in which the Japanese negotiators deal with conflicts, deals and negotiations today.

The WA-concept, too, emphasis harmony at the interpersonal level, as well as a high level of consideration of others within ones group, and creates a unity among members of the in-group.

The fact that Japan has been isolated, both geographical and political, has created a sense of feeling and being unique. This has resulted in a high degree level of regulations (Japan scores thus high on the uncertainty avoidance index).
Additionally, the fact that the Japanese feel they are unique is also present in; for instance, their argumentations during negotiations (please see case 2).

Western influence in Japan has influenced the country in several ways – depending on the country in question that has been present in Japan. The relationship between the USA and Japan, for instance, due to Pearl Harbor and the Japanese defeat during WWII, can be best described as asymmetrical\textsuperscript{13}, where Japan plays the subordinate role and the USA the superior.

This behavior can perhaps be traced back to the concept of oya-ko and ie, where Japan (child or the junior) surrenders to the USA (the parent or the senior) in order for the seniors have the responsibility to guide, instruct, counsel and correct the behavior of juniors who all live under the same roof under the authority of one male – the USA.

9. Japanese Negotiator

Every negotiator faces the same questions when negotiating with the other party: How can I figure out what the person on the other side of the table really thinks and wants, and what is the real meaning of his words and actions? If both parties share the same set of cultural values, common language, negotiating with each other is still a challenge, one can always fall back on insight and intuition – if I were to behave that way, what would that really mean? But when the other party comes from a different cultural background than ones own, their behavior and communication manner may seem like a mystery that not even good old Sherlock Holms would be able to solve.

Cultural values, language, traditions, and behavior are all rooted in historical, religious and social circumstances, which are alien to an “outsider”, who does not share them.

When one does not understand the other party’s values, behavior and arguments, mistrust and prejudices can occur. One has the need to know where the other party is coming from, and so one creates ones own explanation or theory – often based on ethnocentricity and prejudices. Once mistrust appears, negotiating with the other party has come to an end even before it has started. But when one comprehends what the other party is thinking and seeking, and what his actions and words really mean, and why they behave the way they do, intercultural negotiations will become smoother and, in most cases, even successful.

\textsuperscript{13} Since the Cold War, it has been observed that Japan has shown signs of more self-confidence.
The main focus of this chapter is to explain and discuss Japanese negotiation strategies as well as behavior pattern and communication style, and how cultural values influence them. The Japanese negotiator’s strategies can be divided into five categories: normative, rational, assertive, and avoidance, which are being used by the Japanese negotiator accordingly to the context. Finally, the strategies are to be exemplified while describing and analyzing the Naniwabushi strategy, which is a combination of the four.

**Normative strategy** can be defined as a way of behaving that is in accordance with the norms of society. For instance, politeness is essential when negotiating in Japan – e.g. meaning behaving properly, being hospitable, courteous, and deferential to those who are senior in age or superior in position. In a way, it is a type of insurance against making mistakes and creating chaos that would upset the group harmony, which the Japanese culture’s emphasizes greatly. It is also reflected in the way the Japanese tend to synchronize their movements and behavior with others. Most frequently observed is the nodding that takes place during negotiations or a discussion. This is called *aizuchi*, which literally means “hammering by blacksmiths on the anvil”. It is also a courtesy showing that one is listening attentively and that one agrees to what is being said. Aizuchi is thus a way of creating synchrony, and ultimately harmony, amongst the group members.

Group harmony and conflict avoidance is thus the core of the Japanese culture, and for that reason Japanese do not like negotiating to begin with. To them, it has an unpleasant connotation of confrontation, which the Japanese wish to avoid whenever possible.

The Japanese negotiators prefer thus negotiating with friends, or people they have a long-term relationship with. Long-term relationships are thus sought after and favored in Japan – the same is the case with negotiating. In general, when Japanese negotiate with foreign investors and business associates, they tend to have an efficient businesslike approach, but still doing their best to make sure both parties are treated fair, and that the demands and needs from both sides are met as far as possible. The Japanese instinct strives thus to work out agreements on the basis of give and take, harmony and long-term interests that build trust and long-term relationships.

Due to the long-term relationship and conflict avoidance approach, business relationships in Japan are for the most part established through a middleman – who has the proper connections and associated introductions. Middlemen are also used during negotiations in order to provide information about the other side, or to help resolve problems and conflicts without directly confronting each other.
The Japanese negotiators strive to build a family-type and long-term relationship with their business associates. In Japan, an important aspect of such relationship is the degree to which “dependency”, or *amae* in Japanese, can be developed. The major purpose of primary negotiation is thus to assess whether the two organizations can get along over the long term.

It is believed that once a relationship is established, further negotiations will proceed smoothly and so substantial time and effort is spent in relationship building. Much of this initial sounding out will be conducted in bars and restaurants. The importance given to this relationship building stage is shown by the amount of money spent on corporate wining and dining (*kosaihi*). In 1992 *kosaihi* accounted for 1.2% GDP compared to defense which was 1%.

Additionally, the Japanese verb "to persuade (fukumeru) also means "to include" is perhaps relevant to the Japanese approach to negotiation. Japanese place great emphasis on investing time and money in achieving an accurate assessment of the expectations and needs of each side so that the final contract can be as inclusive as possible. Business negotiation is seen as a meeting of minds and long term planning rather than a conquest.

Mutual cooperation (in Japanese, *gojo gojō*), and compromise is considered to be a virtue in Japan, and is used for problem solving or reaching decisions through a display of goodwill, by mutual trust, and reaching mutually acceptable positions through fine adjustments of one’s position or demands. This category also relates to the fact that Japanese tend to search for things they have in common with the other party in order to reach group harmony while establishing a relationship. This is a time-consuming process, but undoubtedly crucial for building a trustworthy cooperation and signing a business deal in Japan. Additionally, once a business deal is in the house, it is essential to maintain a good and close relationship with the Japanese associates due to the fact that Japan is a long-term relationship culture, where interpersonal relationships are highly valued (Gesteland, 2005, 175-179).

Japan is also a copying society, and high on avoidance uncertainty. They believe that the safest way to survive and prosper is to make the minimum adjustments needed to neutralize or overcome criticism and adapt to the existing situation with the fewest risks. Japanese thus tend to compromise, give and take, which requires an equal sharing by both parties involved, or concessions on the side that has less to lose. Copying involves thus minimum adjustments (*kodashi ni suru*), and is a culturally typical approach to problem solving and negotiating in Japan. Anything more than the minimum is considered too risky and in high uncertainty avoidance culture such as the Japanese, where one avoids taking risks in order to maintain group harmony and keeping face.
The minimalist copying strategy in problem solving and negotiation derives from the “mainstream” Japanese culture, where compromise has always been valued over dispute or argument. Compromise is very important in Japan since it is aimed at preserving good relationships with the group.

The common expression, *gojo gojō* (mutual cooperation and compromise) is thus highly valued in Japanese culture. Essentially, it means reaching decisions through a display of goodwill, mutual trust, and fine adjustments of ones position or demand, and is much more valued than the Western give and take approach. Copying is also connected to the concept of *kaizen*, or “improvement” in English. *Kaizen* means continuous fine changes, rather than one categorical revision or sudden innovation. *Kaizen* illustrates strive for group harmony and collectivistic thinking that is present in the Japanese culture.

Additionally, obligations are common among Japanese in every shape and color – to society, to ones parents and seniors and to ones business associates. Obligations are thus incurred over time and are supporting the process of long-term relationships in a collectivistic society such as Japan, where maintaining team or group cohesion and harmony when negotiating is crucial. Finally, persistence or determination is one of the Japanese strengths in negotiation due to the fact that decision making in Japan is a lengthy process based on group consensus (March, 1989: 127-131).

**Rational strategy** refers to strategies that try to attain economic or pragmatic results, or to encourage greater efficiency in communicating and negotiating. For instance, the Japanese negotiators tend to be better at, and more efficient when organizing their teams than e.g. the Westerners, and they are more consistent throughout the negotiation due to group harmony and group consensus. In most cases, the Japanese negotiators would have prepared and worked together for quite a while before entering the negotiations, and would have thus developed a fluent teamwork. On the other hand, if the group has just met without any pre-preparation, they need to feel one another out before they start the actual negotiation. The Japanese avoid thus at any cost taking any initiative in poorly structured setting due to the fact that their main concern is to clarify their own position among themselves and reaching a consensus. This can result in delays during negotiations, especially when the other part changes the agenda or agreement regularly during negotiations.
The building of mutual trust and understanding is the key element when initiating contact in Japan due to the fact that the Japanese wish to establish a long-term relationship with their business associates. The first meetings are thus about getting to know each other through lengthy speeches about the company’s history, questions about each other’s background and family.

By doing so, the Japanese wish to demonstrate how important it is for them not to be strangers but to have mutual and long-term interests that will benefit both parties and create group harmony and long-term cooperation (Gesteland, 2005, 175-179).

Finally, when negotiations become complicated and even intense, it is very common in Japan that younger members in the negotiation team are asked to talk to, and confront, the other side about the complicated details, which are unpleasant for the senior or top men to deal with. The higher-ranking remain uninvolved until the time is right for them show some power at the negotiation table and reach the final approval. The junior negotiators take thus on the role of being “the bad” guys who are slightly impatient, whereas the senior negotiators take on the role of patient “good guys” who come to rescue. The reason for dividing the roles is simply – the other side is to interpret the behavior of the junior negotiators as lack of experience and “forgive” them while the Japanese negotiators get to confront the other side with sensitive issues without ruining the negotiations or destroying the group harmony and the relationship with the other party. Additionally, due to the fact that Japan is a hierarchical society, it is important to mark who the top man is in a negotiation, as well as showing that leadership and final decision making is the responsibility of seniors. This is also known as the oya-ko concept (literally meaning parent-child) where seniors have the responsibility to guide, instruct, counsel and correct the behavior of juniors (March, 1989: 131-138).

**Assertive strategy** does not necessarily mean aggressive, but rather determined and hard on the issues while soft on the people, willing to walk that extra mile in order to get deal in the house. For instance, although the Japanese are known for being indirect, patient and reserved, the Japanese negotiator can also behave assertive and “push” for an agreement (also known as bulldozing). This is due to the fact that he does not want to lose face. Additionally, Japan is a masculine society where winning is the focus point of most activities.
The Japanese negotiator also tends to ask many questions during the negotiations in order to establish trust and dependency building among the parties involved. There are several reasons for this; first, decision making in Japan requires that everyone is convinced and so everybody’s questions and doubts must be answered and explained. Second, asking questions is also a device to maintain a sense of control of the situation and the other party. This is acting for the benefit of the group, which is characteristic for a collectivistic culture.

Additionally, one of the most fascinating and the least understood aspect of Japanese negotiations is their attitude towards contracts and the law. For instance, the Japanese negotiator will carry out million-dollar transactions based on oral agreements. The fundamental Japanese approach to contracts is to emphasize the relationship being created, and the trust being established, instead of the document being drawn up.

The traditional attitude towards the written documents has been that it is only a substantial acknowledgement of the existence of a relationship between two or more parties rather than a precise instrument that establishes and defines the relationship. Written documents represent mistrust, and even if they are being drafted, the formulation is rather vague with very few clauses, and only the most important elements of the agreement included (Cohen, 1997: 190-221, Rowland, 1993: 104-109). This is due to the fact that the Japanese see negotiating a business deal or contract as a fluid process calling for solid preparation. Before the Japanese negotiating team members meet their counterparts for the first time group consensus within the company will already have been achieved.

The Japanese also prefer to handle problems as they arise instead of trying to spell out the possible scenarios due to the fact that they practice the doctrine of “changed circumstances” (じじょう近く) – believing that the specific items of a contract are always, even immediately after signing, open to re-negotiations. Additionally, at the core of any business deal or connection is the personal relationship, which means that the ethical or interpersonal elements, rather than the legal are the central feature of human relationships – also in negotiations (March, 1989: 138-140).

Avoidance strategies are the most culturally comfortable for the Japanese negotiator. The strategy can be summarized by the three monkey proverb: See no evil, hear no evil, and speak no evil. The main reason for the pre-dominancy of this strategy in the Japanese culture is striving for maintaining group harmony and keeping face.
Thus, one sees no evil, hears no evil and, speaks no evil in order to spare the other person if he or she does or says something improper or offensive. For instance, silence is one of the avoidance strategies that are regularly used in Japan.

When a Japanese negotiator remains silent, one is either contemplating the proposal or the subject may be a very painful one, or he wishes to avoid the conflict and say directly “no” to the proposal. In Japan, silence is golden, due to the fact that it keeps you out of trouble, and again maintains group harmony and saves face. If one does not offend or create chaos within the group, the harmony maintains. The respect for silence also extends to the response time for answering questions, which can last up to several days, or get ignored all together.

Thus, in Japanese use of “yes”\(^{14}\) tends to be used slightly different than in e.g. Europe. For example, when the Japanese say yes, they may not mean yes. To the Japanese, “yes” simply means “I hear you” and one should thus never assume that they agree – especially in business discussions and negotiations. The Japanese tend to say yes when they really mean no, in order to maintain the group harmony and avoid conflicts, which is essential in a collectivistic culture.

One of the most common concerns of Westerners who do business or negotiate with the Japanese is thus how they think. If a phrase were to express the most distinctive, typical quality of the Japanese thinking, it would be “sentiment before rationality.” Sentiments run deep in Japan. The key factor underlying sentiment is the fact that Japanese culture is an attachment culture, which creates, and has close ties with, a social identity, personal well-being, social status, group and family membership and conformity to the group among its people. Japanese believe that logic is not important in discussion when something deeply cherished is threatened. When there is a sense of threat and strong emotionality, the Japanese believe that logical structures are unfriendly, cold and inhuman. In short, Japanese thinking derives not from economic, logical, or rational considerations, but from sentiments about and attachments to people, groups, ideals, and connections.

The way people think and speak is to a large extend, determined by their culture. This process is known as *linguistically relativity*. Just as verbal behavior differs from one culture to another, thought process and perception of reality differs as well.

\(^{14}\) There are said to be sixteen ways of saying “No” without really saying it: e.g. “That will be difficult”, or “I’ll think about it.”
Linguistic relativity is exemplified in the theories by Benjamin Lee Whorf, also known as the Sapir-Whorf hypothesis, which states that language and thought are so interconnected and intertwined that one's language determines one's thoughts. Additionally, it states that language is not simply a means of reporting experience, but it is also a way of defining experience (Samovar & Porter, 2004: 143-144, Gudykunst & Kim, 2003: 212-214).

The Japanese culture communicates indirectly and implicitly, and uses a high degree of non-verbal communication. Indirect and implicit communication form is safer to use than a direct and explicit one – this way, the Japanese speaker is able to save his face, and avoid any kind of conflicts or offense. Language usage reflects many of the deep structure values of a culture by its degree of directness. For instance, the primary function of speech in Japan is the maintenance of social and group harmony.

Direct use of language is thus viewed in Japan as a disregard for others and can lead to embarrassment, injured feelings, and a sign of inconsideration for the group. Japan employs thus less direct language in order to preserve the dignity, feelings and, most importantly, social harmony, and face of others. Japanese culture employs language cautiously because they favor moderate or suppressed expression of negative and confrontational messages.

Additionally, Japanese speech frequently does not reflect the use of personal pronouns in an effort to emphasize the importance of the group rather than the individual. In an indirect language, which is present in high-context cultures, such as the Japanese, people expect their communication partners to be able to read between the lines or decode messages from a holistic, context-based perspective. Thus, courtesy may often take precedence over truth. For instance, face to face communication between seniors or elders and their subordinates or juniors contains only praise or obedience.

Japanese culture has its roots in Confucianism, which does not allow juniors to question seniors. Later on in history, Japanese culture started emphasizing intuitiveness and the avoidance of inquiry, and putting down people who inquired. This again has its roots in the face-saving and conflict avoidance as well harmony maintenance, which is present in the Japanese culture.

Indirect expressions and the avoidance of categorical comments are thus common in Japanese communication in order to appear undemanding, flexible and unselfish, all of which are desirable qualities in a collectivistic culture such as the Japanese (Gudykunst & Kim, 2003: 211-264).
As mentioned before, Japan is a hierarchical society, and the language is thus adapted to depict the social status of the person being addressed. The core of Japanese society is to respect authority. Even if one does not agree with what authorities do or say, cultural values require a search for consensual, indirect ways of changing the society so that no one loses his/her face in the process.

Debate and arguments are a rare view in Japan’s public sphere, which are viewed as threatening to the group harmony, which fundament is respect for authority at every level in the society (Hall: 1982, Rowland, 1993: 61-62, 1005-106, Cohen, 1997: 184-186, 224).

In short, Japanese tend to use indirect language – especially when they have something unpleasant to say (e.g. a No). The message in such situations may thus be ambiguous and implicit. The indirect use of language in Japan is meant to avoid offending the other party, making them lose face as well as maintaining group harmony.

Communication in Japan is thus not about challenging each other’s opinions or views; it is more about harmony-reinforcing stroking that reinforces good feelings among the group. In a collectivistic culture and standardized human interchange and interaction such as found in Japan, it is enough to know what one, as well as others, is required to do in order to understand each other (Rowland, 1997: 58-59, 104-105, Cohen, 1997: 143).

Japanese also tend to heavily rely on tatemae (further discussed on page 38) or surface communication, as Gesteland calls it, telling you what you expect them to say. They also tend to use fewer words, relying more on nonverbal language.

The Japanese negotiator is thus said to be hard to read – being very good at concealing his facial expression and emotions. Learning to put a “face” over one’s true emotions is part of growing up for the Japanese. They learn that the direct expression of emotions, especially through the face, is uncultured and improper, and may disturb the group harmony that is essential in the Japanese culture. So, instead of showing emotions without reverse, the Japanese filter their feelings when they are expressed. That way, they do not offend or look esthetically unrepresentative – this is the case for facial expressions, body language and gestures. One can thus say that they Japanese adjust their behavior for public consumption, or tatemae, and in order to maintain group harmony. Tatema describes the overt behavior – especially verbal behavior – that is deliberately describing the opposite to what one feels, which also functions as a social lubricant in Japan.
Certainly, at a deeper level tatemae is also about being secretive or hiding things that should not be revealed to outsiders, or the out-group, in order to save face and avoid any kind of conflict (Rowland, 1993: 60-61, 69-70, March, 1990: 67, 142-144, 151-152).

In a conflict avoidance culture such as the Japanese, it is also substitute for the harsh words one might be thinking or for the refusal or disagreement that would hurt or offend if told directly. Tatemae is also being used in order to establish a relationship with ones guests and business associates – one should thus no interpret tatemae as promises, but merely as statements and appropriate behavior in that particular context. Tatemae can also be interpreted as simple role playing accordingly to what is commonly accepted as the correct or proper way to play the role and the context. Additionally, pleasing words to superiors are also crucial when practicing tatemae – superiors in Japan believe they deserve flattery, and subordinates are good workers when they flatter their superiors. Tatemae is thus used to maintain good human relationships and avoid conflicts in a culture that values harmony (Rowland, 1993: 57-58).

Additionally, face is similar to the concept of tatemae. Putting on one’s best face in formal situation, or when dealing with the out-group, is deeply rooted in Japanese culture. It goes back to the 17th century, or even longer than that, when samurai were enjoined to appear at the best when venturing abroad or meeting an enemy. Face means taking responsibility for and controlling what is expressed facially or by external appearance, as well as the effect one has on others.

Putting on a face means concealing what one really feels, as well as making sure others do not lose their face. Face and tatemae are essential and central to the formation of business relationships in Japan, and they are crucial in lubricating both superficial and ongoing or long-term contacts and relationships. Thus, the maintaining of ones face stems from an extreme sensitivity about ones personal defects and the fear of being criticized, which are to be hidden behind a face. Face functions thus as a shield to avoid offending the group, while maintaining group harmony (Rowland, 1993: 58-59, 104-105, March, 1990: 74).

The Japanese negotiation also tends to wait and see what happens when a negotiation takes off instead of taking the first initiative. This is in order to “feel” the other party and accommodating to their behavior in order to maintain group harmony and avoid offending the other party. Non-talkativeness in Japanese culture can has additional meanings.
For instance, at a first meeting, before the official part of the appointment begins, Japanese participants often tend to behave as complete outsiders, who are not expected to pay attention to others. So, in order to avoid the embarrassment inevitably connected with a first meeting they pretend not to acknowledge the existence of the other person. This is often done in such way that no communication is established with the parties involved.

Silence in the presence of others in Japanese communication is a sign of respect or consideration. In contrast, talkative people are not respected in Japan, because they are viewed as being superficial and not responsible. Japan is also a high context culture, where the Japanese have common understanding without giving very many details and using a whole of a lot of words (Rowland, 1993: 68-69, Cohen, 1997: 159-160, March, 1990: 140-141).

The culturally approved ambiguity in Japan extends even to the business setting where one does not promote one own ideas. Rather, it is up to the other party to recognize ones merits and needs. Also, in Japan one influences others, especially ones subordinates, by subtle, indirect suggestion, relying upon their thorough indoctrination in the hierarchical society to ensure that orders are carried out faithfully. If the necessity arises, a middleman or a mediator may speak on ones behalf (March, 1990: 16, 127-160).

9.1 The Naniwabushi Strategy

The most typical and frequently used strategy for conflict or dispute resolving in Japan, and for the Japanese negotiator, is called naniwabushi, which is named after the popular Japanese ballads from the Edo period (1600-1868). There are three parts to the ballads: the opening (kikkake), which gives the general background of the story, describing what the protagonists are thinking or feeling; the narrative of critical events (seme), and the finale (urei), which expresses pathos and sorrow due to the events in the story.

In Japanese business, a typical negotiation follows more or less the same guidelines:

1. The negotiators start by informing each other about the successful relationship between them that has been established over the years, and that you have enjoyed the cooperation: kikkake

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15 Grounded on amae
2. During the next phase the negotiators talk about current problems they may face (financial, etc.), and how these effect their business, family, and that your business can only survive if the payments were to cut be reduced, or even cut in half: *seme*

3. Here, the negotiators explain what will happen to them if the payments were not to be reduced – bankruptcy, starvation and the like

*Naniwabushi* is premeditated, calculated and the more dramatic and tragic the story the better. That way, the listener forgets all about the contract and finances, and starts focusing on the human side of the story and situation.

According to March, even the most honorable negotiator in Japan may not be able to honor agreements, which create negative outcome, or change his circumstances for the worst. Long-term relationships and group harmony dominates the Japanese culture and society, and by using the *naniwabushi* strategy the negotiator focuses on and appeals to these fundamental cultural aspects and values. Although, these cultural aspects and values might not be present in the culture of the other negotiator, the melodramatic bias does appear and is seen in cross-cultural negotiations as well. Also, Japanese negotiators when faced with failure, attempt to transfer the blame into someone else. A typical Japanese negotiator, just like the Japanese hero character, is thus rather melodramatic as well as believing that he is an innocent victim.

According to Okonogi, a leading Japanese psychologist, this is due to the extremely structured mindset and culture that one finds in the Japanese society. The Japanese feel that in order to show aggression or anger, they need to blame to other party, depicting the other party as powerful and unfair assailants and themselves as the victim. That way, the Japanese feel they are allowed and forced to express aggression and anger publicly. In short, when Japanese are attacked or threatened by others, they see it immediately as being unfair, and either expect an apology, financial compensation or the right to show aggression and anger.

It is thus essential to be aware of the Japanese approach to problems and problem solving. When things go smoothly for the Japanese negotiator, they tend to be more rational than the Westerners. When things do not proceed as planned, the rationality disappears and “melodrama” or negative emotions enter the scene of the negotiations (March, 1990: 22-27).

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16 This victim mentality (higaisha ishiki) appears frequently in both domestic in Japan, and when they are involved in cross-cultural negotiations.
Conclusively, there can be found certain characteristics when observing a Japanese negotiator due to the fact that culture does have an influence and predisposition on the way the Japanese negotiate. The Japanese always form cohesive teams – even if composed of strangers due to the fact that the culture is collectivistic and strives for group harmony, as well as respects hierarchy. The teams have thus always clear leadership, which is respected by the entire team. The Japanese negotiation team is also very flexible, making it possible to substitute one negotiator with a new one without the entire teamwork coming to a full stop.

The team develops a unified team position, reaching an consensus, which is supported by the entire team through collective decision making. This creates cohesion and support for the leader, making the teamwork more smooth and synchronized.

Conclusively, the Japanese negotiators and their strategies have both their strengths and weaknesses. For instance, they have in general good at interpersonal communication when it comes to information exchange and the exchange of news, views, opinions, and experiences in a well-mannered, polite and friendly way.

On the other hand, they are not particularly skilled with human communication that culminates in true intimacy and openness – this is due to the loss of face. The more one opens the more one risks to lose face or even destroy the group harmony that is highly strived for in Japanese society.

Also, when negotiating, the Japanese negotiators tend to be slightly unobservant, not looking to the other side for picking up non-verbal signals or clues – one of the reasons behind this is that they are so preoccupied with the translation and retranslation (when English is spoken during the negotiation) that they do not notice the non-verbal signals the other party is sending. Additionally, in Japan prolonged eye contact, or staring at other people, is considered rude, threatening, and disrespectful. One could argue that this is due to the maintaining of harmony within the group, as well as avoiding any kind of conflicts (Rowland, 1993: 105-106, 184-186, 224, March, 1990: 130-132, 154-163).

Japan is also a collectivistic and relatively homogenous culture with strict rules for behavior and communication, making it difficult for the Japanese negotiator to read the signals coming from the other party with another cultural background, as well as adapting to another type of behavior and communication style.
Another Japanese weakness when negotiating is the consensus – agreements made by consensus can be difficult to revise once implemented, and take long time, often resulting in delays. Thus, most Japanese negotiators will tend to get ones agreement to their position rather than re-negotiating within their own organization. This is both due to the fear of losing face and the fear of admitting ones “mistakes”, which is being avoided at any cost in a collectivistic and uncertainty avoidance culture (Rowland, 1993: 104).

10. Brett & Usunier

This chapter discusses and analyzes the connection and interaction between culture and negotiating – how does culture affect negotiations according to Jeanne M. Brett17, and Usunier18, both specializing in international marketing and international business negotiations.

When people from two different cultures negotiate they both bring their own culture and cultural values to the negotiation table. According to Jeanne M. Brett, breakdowns and deadlock in negotiations are due to cultural differences, and thus due to lack of understanding of the other party’s culture and cultural values. Brett states that culture has an impact on negotiation processes and outcomes. She defines culture as a collection of values (what is important) and norms (what is appropriate and inappropriate) shared by members of a specific social group. Additionally, it is the economic, social, political, and religious institutions that socialize new members and teach them the values and norms of the culture in question.

Thus, all of these elements of culture have an affect on social interactions – such as negotiations. Of course, not all cultural values and norms relate to negotiation, but those that relate to the interpretation of situations and the behavior of others do. Brett is mainly focusing on the following values: collectivism/individualism, power distance, and high- versus low-context communication and how they influence and determine the behavior of a (Japanese) negotiator (Brett, 2000: 97-104).

Collectivism/Individualism
Brett argues that people in all cultures distinguish between the in-group, which they belong to, and the out-group, which they do not belong to. People from collectivistic cultures tend to be more aware of the needs of other people than do people from individualistic cultures.

17 Professor in culture and negotiations at the Northwestern University in Illinois, the USA.
18 French professor at Ecole des HEC in Switzerland.
Also, the identity of collectivists is interdependent with the group they belong to, which is not the case of people from individualistic cultures.

In short, individualism versus collectivism reflects the cultures’ preferences and priorities in the interaction with other people, and in the general decision making during a lifetime. Brett found that people from individualistic cultures tend to set high personal goals in negotiation, and are more likely to decline an offer and search for a new, revised offer in negotiations due to their strong self-interest.

People from collectivistic cultures, on the other hand, identify with members of the in-group and thus adjust their needs and interests with that particular group. If the other party in negotiations is also an in-group member, people from collectivistic culture tend to have a cooperative behavior in order to find a mutually satisfying agreement and maintain group harmony. On the other hand, if the other party is not a member of the in-group, one tends to observe a relatively competitive behavior from both parties.

In short, people from individualistic cultures tend to go their own way regardless of the behavior of the other party in order to reach their self-interests, whereas people from collectivistic cultures are ready to find a mutually satisfying agreement if/when the other party is a member of the in-group (Brett, 2000: 99-100).

**Power Distance**

There is inequality in all societies, and thus there will always be some people who have more power than other. One of the cultural differences between different countries is how they deal with inequality – to what extent does a country expect and accept that power is distributed unequally.

According to Brett, people from high power distance cultures tend to have fewer conflicts than people from small power distance cultures due to the fact that hierarchy reduces conflict by providing norms for interaction. Additionally, when a conflict does occur it is settled down by a superior rather than directly between the parties involved, reinforcing his power and status, while avoiding direct conflict and maintaining group harmony. In negotiations power distance plays a crucial role in how the parties deal with conflict resolution – collectivistic cultures tend thus to deal with conflicts indirectly, letting their superiors to solve the issues, whereas individualistic cultures tend to solve the conflict directly, where only the parties directly involved in the conflict try to find a solution. Additionally, power distance also deals with the way cultures view power in negotiations and what issues they tend to focus on.
Collectivistic cultures tend to focus on the interpersonal aspects of the negotiations, whereas individualistic cultures focus on the issues (Brett, 2000: 100).

**High- versus Low-context Communication**

According to the American sociologist, Edward Hall, there are two types of cultures: high-context and low-context. The difference between high and low context cultures depends on how much meaning is found in the context versus in the code. In high-context cultures one finds very little information in the message itself. Rather, the context of the information awakens pre-existing knowledge in the receiver.

Thus, in high-context cultures meaning is indirectly transmitted to the receiver rather than directly interpreted from the message. In low-context cultures, on the other hand, information is directly enclosed in the message.

The difference in communicating during negotiations may lead to a conflict or even deadlock – negotiators from an individualistic culture may feel negotiators from a collectivistic culture are trying to hide information from them, or that they are agreeing when they are not – due to the fact that they communicate indirectly and in a non-confrontational manner.

Additionally, according to Brett, due to their more directly and confrontational approach, negotiators from collectivistic tend to solve more conflicts, faster, without involving a third party, whereas, negotiators from collectivistic cultures are more likely to involved a third party in order to avoid the direct confrontation and maintaining group harmony (Brett, 2000: 101).

Usunier, too, argues that when one negotiates internationally, cultural knowledge is essential due to the fact that negotiations are not solely based on legal and business matters, but also on human and social relations, which he refers to as “soft facts”. According to Usunier, people with different cultural background do not necessarily share the same basic assumptions (deriving from cultural values), and thus behave differently than the other party, as well as interpret the behavior of the other party accordingly to their assumptions.

Usunier states that lack of cultural knowledge can lead to problems for establishing credibility and trust in international negotiations due to the fact that the parties involved use different cultural codes and do not necessarily share the same cultural values. For instance, in Japan a credible and trustworthy person behaves in a modest manner, listening to the other party and speaking very little himself (low self-concept profile) (Usunier, 2003: 97-135).
In most Western countries, on the other hand, a credible and trustworthy person shows self-confidence and not afraid to speak his mind (high self-concept profile). If negotiators with, what Usunier refers to as, a low self-concept profile and a high self-concept profile meet, they may experience a credibility misunderstanding if they are not aware of their cultural differences. Openness, honesty and sincerity are thus cultural values, which can be interpreted relatively to ones cultural assumptions and cultural background.

Another difference that one encounters in negotiations, which is culturally determined is the outcome orientation. Some cultures are relationship-oriented (e.g. Japan), whereas others are deal-oriented (e.g. the USA). For instance in relationship-oriented cultures, a handshake or oral agreement, expressing mutual co-operation and trust between the parties is preferred to a formal Western-style contract.

In Japan, the opening statement at the beginning of negotiations, which seals the relationship between the parties involved, is more important than the written contract at the end of negotiations. The Japanese, if able, prefer to avoid written contracts and agreements.

Thus if parties involved in a negotiation transaction trust each other, due to a long-term relationship, money and other details need not to be discussed – in many industries in Japan, neither contracts nor invoices or even product catalogues are used. The reasons behind such behavior are that the Japanese negotiator does not wish to appear self-centered or coldly rational, which is against the collectivistic mind set that values group harmony and long-term relationships (Usunier, 2003: 97-135).

Conclusively, both Brett and Usunier argue that in order to reach an agreement, the negotiators need to adapt to each other’s culture and cultural values. Thus, the capacity to deal with different communication styles, as well as being able to adapt to the other party’s culture is the key to successful negotiation. According to Weiss, the party who is most familiar with the other party’s culture should adapt.

The author of this paper would also argue that it is easier for the negotiators from individualist cultures to adapt to negotiators from collectivistic cultures due to the fact that people from individualistic cultures act on their own, whereas people from collectivistic cultures have obligations to the in-group, and thus cannot make a decision on their own.
11. Case Studies

International trade and negotiations have increasingly grown over the last decades – not only in volume but also in complexity. Today, reaching an agreement requires more than a good product – it also requires establishing a good relationship with the other party. It is thus not only crucial to have the know-how, best prices and best products – cultural knowledge is of equal value when negotiating today. Negotiators in international negotiations have, in general, different national cultural background. Our culture influences the way we think, feel, act and behave in general, and these factors again influence the way we communicate when negotiating.

It is thus essential to be aware of the other party’s culture and cultural values – they might get misinterpreted and turn into distrust, or even become “personal”. A certain amount of trust is an essential ingredient when doing negotiations, and trust is only established when the behavior of the other party is interpreted correctly (Ghauri & Usunier, 2003: 97-135).

The process of negotiating can best be described as a social interaction, which takes place on a daily basis, and is the process by which two or more parties try to reach an agreement or a goal (which is seldom compatible), or try to solve or resolve an issue or a dispute. People negotiate privately and professionally, nationally and internationally. This paper is nevertheless focusing on international negotiations.

This chapter is based on the chapters on Hofstede, Hall as well as Cultural Dimensions and the characteristics of a Japanese negotiator, and is to illustrate how cultural values influence negotiations and decision making in negotiations.

It is thus to describe and discuss two real life case studies in order depict the culture-based theory used in this paper, as well as show that the Japanese negotiator’s behavior indeed is influenced by the person’s culture and cultural values.

The author of the paper is fully aware of the fact that two case studies are not sufficient to make reliable conclusions, but she is trying to give an impression of the connection between the Japanese culture and values and how they influence the behavior and the negotiating styles in Japan. In cases where the researcher cannot for practical reasons do experimental studies, case studies are in particular useful, although they are not representative of the general group or population.
The two cases are taken from *Case Studies in Japanese Negotiating Behavior*, written by Blaker, Giarra and Vogel. Both Vogel and Giarra were part of what was known as the Nye Initiative under the Clinton administration. They claim that it represented a new approach to negotiating with Japan, in that it placed a high priority on the negotiations and at the same time adopted a bottom-up approach (as opposed to previous top-down approaches). The approach emphasized close relations between US and Japanese officials and intellectuals, while using a number of informal approaches such as discussion groups, oral agreements rather than written agreements, and unofficial draft propositions (Blaker, 2002: 17-40, 41-67).

**Case 1**¹⁹

The following case describes negotiations over oranges between the USA and Japan during a period of ten years: 1977-88.

The American agenda or goal with the negotiations was:
- Export of American oranges into the Japanese market
- Demand for Japanese liberalization of its market and
- Elimination of protectionism and trade barriers in Japan

The Japanese agenda or goal with the negotiation was:
- To maintaining its image abroad
- To avoid intervention from GATT and/the submission of the case to a GATT panel
- To avoid embargoes and sanctions from abroad

**Page 30:**
The Japanese negotiators did not wish to negotiate right away – only when the American negotiators kept on demanding to start negotiations by threatening to submit the case to a GATT panel, did the Japanese party decide to enter negotiations with the Americans.

The reason why the Japanese tried to avoid negotiating with the Americans was due to the fact that they prefer, if they can, to avoid any type of conflict. When they finally did succumb to the negotiations, they did so simply to avoid losing face in the national and international forum, as well having their image tarnished abroad by avoiding the confrontation.

¹⁹ Appendix 5
Of all the strategies used by the Japanese, avoidance strategy is the most culturally comfortable due to the fact that the Japanese negotiator strives for maintaining group harmony and saving face, which is caused by cultural parameter, called collectivism, where people expect that their in-groups will take care of them, and in return they owe the in-groups a great deal of loyalty and submission (Samovar & Porter, 2004: 61).

**Page 31:**

At first, the Japanese negotiators start off the negotiations with, what Blaker calls, a “convincing no”, which is highly unusual for a collectivistic culture, which tends to wrap up its no’s in. Later on, the Japanese negotiators turn to a more open “maybe” and “try their best”.

The Japanese may have been trying to state that they were open to negotiate if...But one also needs to remember that a yes or a maybe in Japan does not necessarily mean the same as in an individualistic culture, which uses a direct communication form. Communication between Japanese and foreigners, who use direct communication form, is thus rather difficult.

Indirect expressions and the avoidance of categorical comments are common in Japanese communication in order to appear undemanding, flexible and unselfish, all of which are desirable qualities in a collectivistic culture, such as the Japanese, which has its roots in Confucianism. For instance, the Japanese use of “yes” tends to be used slightly differently than from in e.g. Europe. For example, when the Japanese say yes, they may not mean yes. To the Japanese, “yes” simply means “I hear you” and one should thus never assume that they agree – especially in business discussions and negotiations.

The reason why the Japanese tend to say yes when they really mean no, is in order to maintain the group harmony and avoid conflicts, which is essential in a collectivistic culture. Additionally, the Japanese negotiators may have been trying to buy time in order to reach consensus within their group by delaying the answer to the American party.

**Page 33, 34:**

The Americans changed their plans with the negotiations regularly and this was annoying the Japanese party due to the fact that the Japanese negotiators need to reach a consensus with their group before they can react to the changes and new agreements, offered by the American negotiators, who are more flexible.

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20 There are said to be sixteen ways of saying “No” without really saying it: e.g. “That will be difficult”, or “I’ll think about it.”
The American negotiators changed their agreement three times, and each time, the Japanese party accepted the new agreement, after reaching a consensus with their group, even trying to improve the terms of the agreement – although without luck. The reason why the Japanese continued to agree and adjust to the new agreements is due to the fact they wanted to maintain group harmony. This is due to the cultural valued, which Hofstede refers to as, Confucian dynamism, also known as long-term versus short-term orientation. Accordingly to this value, the Japanese negotiators tend to emphasize determination for achieving desired ends even at the cost of sacrifice in order to maintain group harmony.

Page 35:
Throughout the negotiations, the Japanese tried to approach the other party with, what Blaker calls, “an anticipatory concession” in order to simplify the inspection process and system of the imported citrus fruits. Nevertheless, the American negotiators rejected the concession, wanting far more than that from the Japanese party. This again resulted in the Japanese negotiators rejected the proposals coming from the Americans altogether. What the Japanese were trying to do was to reach a consensus, which was to create group harmony, establish trust and build a long-term relationship with the Americans, which ultimately would create even more possibly future agreements, and make the current negotiations go much more smoothly and faster.

In short, profit is not the most important ingredient or goal for a Japanese negotiator – market share, growth and relationship are much more important and focused upon. This is due to the fact that the Japanese have a long-term orientation planning – they look at what will happen ten or twenty years in the future.

Page 37:
The Japanese are using the Naniwabushi strategy, discussed in paragraph 9.1, in order to gain understanding and empathy from the American negotiators. Long-term relationships and group harmony dominates the Japanese culture and society, and by using the naniwabushi strategy the negotiator focuses on and appeals to these fundamental cultural aspects and values.

Although, these cultural aspects and values might not be present in the culture of the other negotiator, the melodramatic bias does appear and is seen in cross-cultural negotiations as well. When that failed, the Japanese negotiators were delaying the process, or simply asking for more time in order to gain consensus from the group before continuing the negotiations. Additionally, the Japanese asked for a personal meeting in order to establish a relationship and build trust with the Americans and makes the negotiations go smoother – this was rejected by the other party, resulting in further delays and lack of trust between both parties.
According to Blaker, although the Japanese were trying to avoid and minimize the issues during the negotiations, they were not afraid of bargaining hard. The avoidance and minimization of the issues is due to the fact that the Japanese were focusing more on establishing a relationship with the Americans, as well as the fact that the Japanese have a long-term planning.

Additionally, although the Japanese are known for being indirect, patient and reserved, the Japanese negotiator can also behave assertive and “push” for an agreement, or as in this case bargain hard. This is due to the fact that he does not want to lose face. Additionally, Japan is a masculine society where winning is the focus point of most activities.

Blaker concludes that the American negotiators were proactive, whereas the Japanese party was first reactive and later on defensive. Again, this can be linked to the cultural values of Japan, and the Naniwabushi strategy. When the Japanese negotiators are faced with failure, they attempt to transfer the blame into someone else – in this case the American party. According to Okonogi, a leading Japanese psychologist, this is due to the extremely structured mindset and culture that one finds in the Japanese society.

The Japanese feel that in order to show aggression or anger, they need to blame to other party, depicting the other party as powerful and unfair assailants and themselves as the victim. That way, the Japanese feel they are allowed and forced to express aggression and anger publicly.

In short, when Japanese are attacked or threatened by others, they see it immediately as being unfair, and either expect an apology, financial compensation or the right to show aggression and anger. It is thus essential to be aware of the Japanese approach to problems and problem solving. When things go smoothly for the Japanese negotiator, they tend to be more rational than the Westerners. When things do not proceed as planned, the rationality disappears and “melodrama” or negative emotions enter the scene of the negotiations.

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This victim mentality (higaisha ishiki) appears frequently in both domestic in Japan, and when they are involved in cross-cultural negotiations.
Blaker states that the Japanese government negotiated at two levels to build a consensus with the United States and with the various groups in Japan. Early in the negotiations, a number of delegations from various groups in Japan went to the United States to plead the Japanese case.

Despite the US rejection of their arguments, these groups gained credibility in Japan that they later used to argue for a modification of the Japanese position in light of the continuous pressure from the United States in the negotiations. While the Japanese eventually gave in to the US demands, they succeeded in delaying changes for fourteen years.

Case 2

Of the issues examined in the book, *Case Studies in Japanese Behavior*, the negotiations over rice represented the most emotional issue for the Japanese because of the historical and cultural significance of rice. Not surprisingly, the Japanese history and culture factors were used as an emotional argument in order to explain its protectionism. The Japanese reaction was confounded by the fact that the United States dismissed the emotional arguments of the Japanese and instead responded with a number of economic and rational arguments. If a phrase were to express the most distinctive, typical quality of the Japanese thinking, it would be “sentiment before rationality.” Sentiments run deep in Japan. The key factor underlying sentiment is the fact that Japanese culture is an attachment culture, which creates, and has close ties with, a social identity, personal well-being, social status, group and family membership and conformity to the group among its people and groups.

Japanese believe that logic is not important in discussion when something deeply cherished is threatened. When there is a sense of threat and strong emotionality, the Japanese believe that logical structures are unfriendly, cold and inhuman. In short, Japanese thinking derives not from economic, logical, or rational considerations, but from sentiments about and attachments to people, groups, ideals, and connections.

Initially the Japanese pressed their case by presenting a number of reasons why Japan should not have to import rice. In the end, the Japanese gave in, using face-saving rationales based on the fear of international consequences, as well as the unexpected shortage of rice of 1993.

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22 Appendix 6
As mentioned earlier in this chapter, avoidance strategy is the most culturally comfortable due to the fact that the Japanese negotiator strives for maintaining group harmony and saving face, which is caused by cultural parameter, called collectivism, where people expect that their in-groups will take care of them, and in return they owe the in-groups a great deal of loyalty and submission (Samovar & Porter, 2004: 61).

In short, Blaker uses these negotiations to illustrate issue avoidance and issue minimization as well the building of an internal consensus, and the playing of "defense" while the United States played "offense." As mentioned earlier in this chapter, when the Japanese negotiators feel they are attacked or threatened by others, they see it immediately as being unfair, and either expect an apology, financial compensation or the right to show aggression and anger.

It is thus once again essential to be aware of the Japanese approach and behavioral patterns to problems and problem solving. When things do not proceed as planned, the rationality disappears and “melodrama” or negative emotions enter the scene of the negotiations.

The following case describes negotiations over rice between the USA and Japan during a period of thirteen years: 1986-93.

The American agenda or goal with the negotiations was:
- To open Japanese rice market to foreign rice
- To removing all restrictions on rice imports - liberalization

The Japanese agenda or goal with the negotiation was:
- “To keep foreign rice from Japanese mouths” (Blaker, 2002: 42)
- To avoid any changes in the Food Control Law

Page 42, 46-47:

According to Blaker, the Japanese party was acting defensive throughout the entire negotiations, as well as using many elements of “coping”, which captures the go-with-the-flow-approach, which is found in Japanese negotiating.

Japan is in general a copying society, believing that the safest way to survive and prosper is to make the minimum adjustments needed to neutralize or overcome criticism and adapt to the existing situation with the fewest risks.
Japanese thus tend to compromise, give and take, which requires an equal sharing by both parties involved, or concessions on the side that has less to lose.

Copying involves thus minimum adjustments (kodashi ni suru), and is a culturally typical approach to problem solving and negotiating in Japan. Anything more than the minimum is considered too risky and in a high uncertainty avoidance culture such as the Japanese, one avoids taking risks in order to maintain group harmony. The minimalist copying strategy in problem solving and negotiation derives from the "mainstream" Japanese culture, where compromise has always been valued over dispute or argument. Compromise is very important in Japan since it is aimed at preserving good relationships with the group.

The common expression, gojo gojō (mutual cooperation and compromise) is thus highly valued in Japanese culture. Essentially, it means reaching decisions through a display of goodwill, mutual trust, and fine adjustments of ones position or demand, and is much more valued than the Western give and take approach.

Copying is also connected to the concept of kaizen, or improvement in English. Kaizen means continuous fine changes, rather than one categorical revision or sudden innovation. Kaizen illustrates strive for group harmony and collectivistic thinking that is present in Japanese culture. Additionally, according to Taizen, the Japanese culture is influenced by a cultural value, called awase, which refers to the ability to always be able to adjust to the situation or the circumstances, in other words – to copy the behavior of the other party. The self is thus constantly changing and moving with the situation, whereas the group is constant and needs to be maintained. Thus, maintaining wa equals being flexible in situations, and not on consistently following ones principles.

Page 43-44:
Japan presented emotional argument, or reasons, in order to explain why they do not want to negotiate and maintain status quo regarding rice market and liberalization of rice market in Japan. One of the reasons for doing this was to gain time in order to reach domestic consensus. Another reason that is worth examining is the argument of being “unique” or “special”. This feeling of being special derives from two factors: the historical separateness of Japan from the rest of the world, and the strong belief in the uniqueness of the Japanese culture and society.
Additionally, feeling of uniqueness has resulted in a rather great amount of regulations, which forces international companies to the needs and circumstances of the Japanese culture. This separateness, or isolation, has also caused the Japanese to be extremely aware of anything that comes from outside, and they thus strongly distinguish between foreign and native culture (Reischauer, 1995: 32).

Page 48, 50-53:
Japan is well known of striving for group harmony and facing face, and during the negotiations they were trying to establish group harmony by suggesting a tariff rate of 900 and 1,000 percent. The Japanese negotiators’ goal was to agree to the American demand for opening up the rice market to foreign investors as well as saving ones face nationally, and not “giving in” by raising the percentage so high that no foreign investor would bother trying to enter the Japanese rice market.

Additionally, the Japanese negotiators wish to cooperate in order no to become the scapegoat, who broke down the Uruguay-round. This again was a sign of the conflict avoidance strategy, which the Japanese negotiators also used during the negotiations on orange imports. Additionally, the Japanese did not want to accept the tariffication-based rice imports because that would require revising the Food Control Law. This is due to the fact that Japan is a country with a strong uncertainty, where avoidance describes the need or lack of need a society has towards written or unwritten rules and how it deals with uncertain or unknown situations (Hofstede, 1991: 113).

Page 53-61:
The USA offers Japan a proposal draft, which deferred tariffication on rice for six years, during which period rice would be imported to Japan according to a so-called “minimum-access formula” – meaning, the rice tariffication would not begin until year 2000, after six-year minimum-access period. Initially, Japan did accept the deal, but after a while the Japanese negotiators publicly denied reports of a final agreement. But after seven years of negotiating the parties finally reached an agreement.

One of the American negotiators stated that "What I want is an agreement. As long as the involved countries agree, even if they want to say white is black, that’s alright with me” (Blaker, 2002: 59).
The Japanese negotiators took this statement literally when they in 1993 finally agreed to the final deal. Blaker states:

"In light of the bargaining record, it seems ironic that when announcing their decision to accept the final agreement, Japan leaders explained the decision as motivated by Japanese devotion to free trade principles, dedication to the GATT process, and commitment to fulfilling their nation’s responsibilities as a global economic power" (Blaker, 2002: 61).

The author of this paper would argue that there is nothing ironic in the Japanese statement when analyzing it culturally. The Japanese were simply trying to save face – both domestically by stating that it was Japan’s own decision to agree to the final deal.

Additionally, it is essential to notice that it was the Japanese leaders, and thus probably seniors, who agreed to the deal. When negotiations become complicated and even intense, it is very common in Japan that younger members in the negotiation team are asked to talk to, and confront, the other side about the complicated details, which are unpleasant for the senior or top men to deal with. The higher-ranking remain uninvolved until the time is right for them show some power at the negotiation table and reach the final approval. The junior negotiators take thus on the role of being “the bad” guys who are slightly impatient, whereas the senior negotiators take on the role of patient “good guys” who come to rescue.

The reason for dividing the roles is simply – the other side ends up would interpret the behavior of the junior negotiators as lack of experience and “forgive” them while the Japanese negotiators get to confront the other side with sensitive issues without ruining the negotiation transactions or destroying of the group harmony and the relationship with the other party.

Additionally, Japan is a hierarchical society, and it is important to mark who the top man is in a negotiation transaction, as well as showing that leadership and final decision making is the responsibility of seniors. This is also known as the oya-ko concept (literally meaning parent-child) where seniors have the responsibility to guide, instruct, counsel and correct the behavior of juniors.

Conclusively, this chapter was to describe and discuss two real life case studies, taken from Case Studies in Japanese Negotiating Behavior. The goal was to depict the culture-based theory used in this paper, as well as show that the Japanese negotiator’s behavior indeed is influenced by the person’s culture and cultural values.
The authors of the book, Case Studies in Japanese Negotiating Behavior, see the pattern of Japanese negotiating behavior and style as “more cautious and more reactive, less demonstrative and less visible, than that of other powerful nations” and are heavily influenced by Japan's culture (Blaker, 2002, 5). They also conclude that the Japanese negotiating style is characterized by the following recurring patterns: consensus building (in order to maintain group harmony), slow pace and confidentiality or trust building (in order to build long-term relationship).

In short, the Japanese negotiators focus on human relations, which are fundamental to any kind of transactions in Japan. Relationships are thus essential to all aspects of social functioning, and it takes time and patience to nurture these relationships.

Additionally, profit is not the most important ingredient or goal for a Japanese negotiator – market share, growth and relationship are much more important and focused upon. This is due to the fact that the Japanese have a long-term orientation planning – they look at what will happen ten or twenty years in the future. Finally, approximately 90% of decisions at the middle- and lower-management levels are made through consensus in order to maintain group harmony and avoid conflict. The Japanese take thus longer time in order to reach a decision than do their Western counterparts due to their management system, which requires a group consensus (Kennedy, 1985: 53-57, 63-64).

The author of this paper concludes that the Japanese negotiating behavior and style is highly influenced by the cultural values and historical aspects and events taken place in Japan. The Japanese negotiating behavior and style is thus to a great extend influenced by cultural values such as: collectivism, uncertainty avoidance, power distance, and Confucianism dynamism in order to maintain group harmony, face saving, consensus building as well conflict-avoidance.

Additionally, the author of this paper would argue that one of the reasons why the Japanese negotiator’s behavior is more influenced by the Japanese cultural values is due to the fact that Japan is a collectivistic culture. It is more difficult for people from collectivistic cultures to act individually or adapting to new contexts.

The paper has already defined Japan as a culture with a larger power distance. This type of culture is known to have a more centralized control and decision-making structure, where key negotiations have to be concluded by the top authority.

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23 A consensus where people, who might be influenced by the decision, give their go before it is reached.
One also encounters that in Japan, or in cultures with high power distance, there is more emphasis on the importance of role relations (buyer/seller), where buyers achieve higher individual profits than do sellers.

According to Hofstede, Japan is a collectivistic culture, where people have a need for stable relationships, so that negotiations can become a part of a group of people, who have been familiar with each other over several years. Every replacement of one person by another, or a slight schedule change, is a serious disturbance to the relationship and the group harmony, which then has to be reestablished. In collectivist cultures, mediators have a more important role in negotiations than in individual cultures. Maintaining harmony is very essential in a collectivistic setting – conflicts will be avoided at any cost, and mediators are able to discuss sensitive issues with each party in an atmosphere without confrontation and based on trust among the involved parties.

Additionally, a Japanese negotiator’s behavior is relationship-focused rather than deal-focus due to the fact that he is from a collectivistic culture where long-term planning and relationships as well as uncertainty avoidance are dominating his behavior.

Masculine cultures, such as one finds in Japan, tend to solve conflicts by fighting rather than compromising, leading to less nurturing attitudes and to lower satisfaction in negotiations. Graham et al. found nevertheless, the contrary to be true. Masculinity leads to higher satisfaction in negotiations. In the case of Japan, one could assume that is due to the fact that Japan is also a collectivistic culture that values group harmony – one has to keep in mind tough that it is the in-group harmony one values more than the out-group harmony.

Japan scores 92 points and is seen thus as a country with strong uncertainty avoidance, where one finds low tolerance of ambiguity and distrust of opponents that show unfamiliar behavior. Negotiators from uncertainty-avoiding culture, such as Japan, prefer thus highly structured, ritualistic procedures during negotiations.

Confucian Dynamism, also known as long-term/short-term orientation, is composed of the following values: being determinate or firm, prudent, arranging relationships by status as well valuing interpersonal relationships. Japanese businessmen will for instance only contact another business (be it foreign or local) when they feel they are on the same wavelength.
Everything beyond this stage is focused on the achievement of establishing long-term relationship and maintaining group harmony. Japan ranks as number 4 on the Long-term Orientation Index Values, with 80 points, and the Japanese negotiators tend to emphasize perseverance for achieving desired ends even at the cost of sacrifice in order to maintain group harmony (Kennedy, 1985, 53-57, 63-64).

12. Conclusion

The main purpose of this thesis was to provide a culture-based explanation, examination and analysis as to why Japanese negotiators behave in the manner they do in negotiation, as well as how culture affects negotiations and their outcome. The paper was, due to the focus on cultural differences, solely dealing with international negotiations.

The paper was focusing on the cultural aspect of the negotiation, as well as on a Japanese negotiator, who is dominated by his cultural values, and his interaction (in a negotiation) with a member of an out-group (foreigners and people that do not have a long term relationship with the Japanese negotiator), and a member of the in-group (fellow Japanese with established long-term relationships).

The paper gave a definition and an analysis of culture and values in general in order to delimit and define the cultural framework that was the fundament of this paper. The culture and values of Japan were described and discussed in order to show which cultural factors in Japan determined and influenced the Japanese negotiator, as well as serving as an introductory guide to Japanese culture and society.

The paper discussed the theories by Brett and Usunier, who argued that in order to reach an agreement and having successful negotiation; the negotiators need to be aware of each other’s culture and cultural values, as well as understand the reasons for the way the other part behaves during negotiations.

Next, the paper discussed and analyzed Japanese negotiating styles and techniques, and how they are influenced by the Japanese culture and cultural values, which were used in order to analyze and discuss two real-life cases involving Japanese negotiators. This was in order to illustrate behavior patterns and negotiation styles and techniques of Japanese negotiators, as well as how culture affects negotiations and their outcome.
After analyzing the two real life cases from Case Studies in Japanese Negotiating Behavior, the author of the paper concludes that the Japanese negotiators in both cases showed similar behavior that were influenced by the cultural values described by Hofstede and Hall. The Japanese negotiator were focusing on the maintenance of group harmony (case 1; page 30), group consensus (case 1; page 37), the need for building a long-term relationship (case 1; page 35), and long term planning (case 2; page 35, 53-61), as well as using emotional argumentation (case 2; page 42, 46-47), conflict avoidance strategies (case 2; page 48, 50-53), and face saving when negotiating (e.g. case 2; page 53-61, case 1; page 30).

These behavior patterns are characteristic for cultures with the following values:

**High power distance and hierarchical cultural values:**
The Japanese negotiators tend to have a superior and subordinate relationship amongst each other, where the superiors taken on the role of a parent, and the subordinates the role of a child (oya-ko), as well as mark who the top man is in a negotiation, showing that leadership and final decision making is the responsibility of seniors. This type of behavior is observed in a high power distance and hierarchical culture.

**High uncertainty avoidance and long-term orientation cultural values:**
Also observed was the focus on long-term planning and on respect for regulations amongst the Japanese negotiators, which also characteristic for a culture with high uncertainty avoidance and long-term orientation. Long-term planning as well as regulations tend to give the negotiators a sense of control of the situation as well as the avoidance of taking any risks.

**Collectivistic cultural values:**
The Japanese negotiators showed a great deal of group loyalty as well as strive for maintaining group harmony and saving face, which is also characteristic of a collectivistic culture.

**Polychronic cultural values:**
Japan is also identified as a polychronic and high-context culture, which results in the Japanese negotiators focusing on a relationship oriented deal, as well as long-term planning in order to avoid uncertainties and taking risks.

**High-context cultural values:**
Additionally, high-context cultures tend to speak indirectly in order to maintain group harmony and save face. This is also the case when the Japanese negotiators were communicating during the negotiations – yes does not always mean yes in Japan.
The author of this paper argued that in an increasingly interdependent world, the ability to negotiate successfully is an important skill, and understanding the mindset and the behavior of the Japanese is essential and fundamental for successful negotiations. Knowledge of culture and cultural values of the other party works as an uncertainty avoidance in negotiations, and helps building trust in stead of tarnishing it with prejudices, which ultimately leads to a deadlock.

The two real life cases did end with an agreement, but the process was long and the negotiations delayed due to the ever-changing deal drafts presented by the Americans— the Japanese negotiators had to gain group consensus before they could react upon the drafts, and this delayed the process (case 1; page 33, 34, 37).

Although, Case Studies in Japanese Negotiating Behavior do not describe the relations between the Japanese and the American negotiators after the agreement was signed, the author of the paper would argue that the trust and the relationship between the parties has been tarnished due to the fact that both parties did not interpret each others behavior correctly (case 1; page 33, 34, 35, case 2; page 53-61).

The purpose of this paper, and of using two real life cases, was not to depict a stereotypical image of a Japanese negotiator, but merely to show that culture indeed does influence the behavior of a Japanese negotiator, as well negotiations and their outcome. Hopefully, the paper will help future negotiators understand and become more sensitive to the Japanese culture and negotiating behavior.

13. Summary

Several studies and surveys (e.g. Brett and Usunier) have shown that culture has an affect on the negotiation process and the final agreement or outcome of the negotiations. The cultural aspect of the negotiation is only one piece of the larger puzzle, but it is a crucial and decisive piece. It is now widely accepted that culture indeed has an affect on negotiating and its outcome, which reflect a given culture and the underlying values and beliefs that are central and fundamental in a culture. The culture can be defined as being both behavior, a meaning system and a communication style, and there is a link between the dominant world view present in a given culture (Japan), and the negotiating style that appears to be characteristic of that culture.
Nevertheless, while there have been a number of studies that have explored the behavior of negotiators from different cultures, only very few have dealt with the underlying reasons - why people from a given culture behave the way they do. This paper’s main purpose was thus to provide a culture-base explanation, examination and analysis as to why Japanese negotiators behave in the manner they do in negotiation, as well as how culture affects negotiations and their outcome.

It is an important skill to be able to negotiate successfully in an interdependent world, and in a global market. Understanding the mindset and the behavior of the Japanese negotiator is thus essential and fundamental for successful negotiations. Although a deal is, in most cases, negotiable, culture is not – people do not change their culture for the sake of the business. Thus, when people negotiate with someone with a different cultural background than their own, culture becomes a significant factor. Culture influences their negotiating style, values and behavior, as well as the communication, time orientation, group versus individual emphasis, and the nature of agreement (e.g. oral or written). Culture is thus a deep-rooted aspect of a negotiator’s behavior.

Being aware of the reasons why the Japanese negotiator behaves and communicates the way he does, one becomes better at focusing on, and handling, the negotiation itself. Knowledge of culture and cultural values of the other party works as an uncertainty avoidance in negotiations, and helps building trust in stead of tarnishing it with prejudices, which ultimately leads to a dead lock or even break downs.

The cultural frameworks and theories in this paper were predominantly taken from Hofstede and Hall. They were used to analyze two real life cases depicting negotiations between Japan and the USA. The behavior patterns of the Japanese negotiators observed in the cases could indeed be linked to the cultural values described by Hofstede and Hall.

The results based on the cultural framework and theories as well as on real life cases in the paper are as follows:

The Japanese negotiators tend to have a superior and subordinate relationship amongst each other, where the superiors taken on the role of a parent, and the subordinates the role of a child (oya-ko), as well as mark who the top man is in a negotiation, showing that leadership and final decision making is the responsibility of seniors. This type of behavior is observed in a high power distance and hierarchical culture.
Also observed was the focus on long-term planning and on respect for regulations amongst the Japanese negotiators, which also characteristic for a culture with high uncertainty avoidance and long-term orientation. Long-term planning as well as regulations tend to give the negotiators a sense of control of the situation as well as the avoidance of taking any risks.

The Japanese negotiators showed a great deal of group loyalty as well as strive for maintaining group harmony and saving face, which is also characteristic of a collectivistic culture.

Japan is also identified as a polychronic and high-context culture, which results in the Japanese negotiators focusing on a relationship oriented deal, as well as long-term planning in order to avoid uncertainties and taking risks.

Additionally, high-context cultures tend to speak indirectly in order to maintain group harmony and save face. This is also the case when the Japanese negotiators were communicating during the negotiations – yes does not always mean yes in Japan.

In short, cultural values were to be found in the behavior pattern the Japanese negotiators showed during negotiating with the Americans. Unfortunately, their behavior was not always interpreted correctly due to lack of cultural knowledge, which in some cases led to assumptions based on prejudices and ethnocentrism. Conclusively, culture and cultural values do influence the behavior pattern during negotiations and being aware of them as well as having a cultural knowledge does help in successful negotiating as well resulting in lasting relationship with the other party.
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**Appendix**

(Please find enclosed appendix in a separate folder)

Appendix 4:

Appendix 1-3:
(Chapters on Household (appendix 1), Economy (appendix 2) and Agriculture (appendix 3))

Appendix 5:

Appendix 6: