

Negotiating with The United States and Japan – A Romanian perspective

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Abstract

This article presents negotiation with the United States of America and Japan as seen by three Romania managers who have had experience in dealing with both countries. It includes a case study based on an interview with the three subjects. Its interest consists of the fact that negotiation with these two strong economies is viewed by a total outsider, who moreover is not a theoretician, but somebody effectively involved in this process.

Keywords: *business negotiation, intercultural communication, interview, USA, Japan, Romania*

Introduction

The influence of cultural diversity on international business negotiation continues to increase in importance as a result of globalization, liberalization of worldwide markets, and the growth of cross-border mergers and acquisitions. Negotiating styles' options and choices are key factors in determining successful outcomes in cross-cultural negotiations.

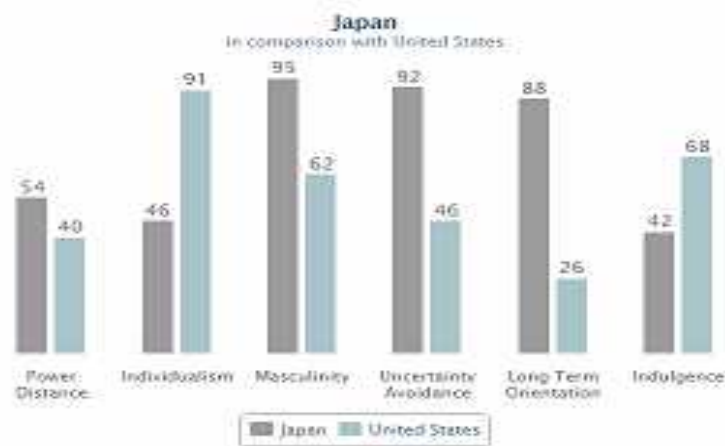
The purpose of the current paper is to shed some light on how these two societies act with respect to organizations and managers from other cultures. Mismanaging cultural differences can render otherwise successful businessmen/women into ineffective ones when working with other values and traditions.

If we look at the business environment, we see that in many cases the difference of success, safety and profitability between companies is given by the proper negotiation of contracts and by the success of partnerships.

The aim of this paper is to highlight the importance the action of a good negotiator has in the success of a business, the way in which knowledge and applying knowledge in this field affects the smooth conduct of negotiations and the maximum gain of the party better prepared in two different cultures, the Japanese and the American.

This survey is based on interviews with managers that have conducted business negotiations with Japan and with U.S. The in-depth interview will take place at the respondent's work place in this way respondents will feel relaxed and more comfortable to openly express their thoughts, feelings and experiences. Each participant will be asked a series of thirteen questions and probed to offer examples to support their answers. Each question will be explained and discussed in order to ensure understanding from the respondents. The in-depth interview will last approximately 30 minutes.

Japan versus U.S.



In terms of power distance, Japan is ranked higher than U.S. However, this is interesting because in essence, Japan is trying to adopt the 'western' style, emphasizing more on the idea of equality. The main difference between the two countries is that Japan does not take the issue of power distance seriously enough and has yet to develop in this area.

When it comes to individualism, the two cultures are not similar, with U.S. a score of 91 that places as an individualist society, and Japan population indicates a score of 46 so it is a collectivistic society. Although, most cultures tend to incline towards collectivism, for Japan, the past might have a strong impact on what can be found today. *"The smallest minority on earth is the individual. Those who deny individual rights cannot claim to be defenders of minorities."* – (Ayn Rand).

Masculinity and femininity are quite differently viewed in Japan and U.S. While Japan has a high ranking in masculinity, U.S. can be

considered a feminine country, where women do not need to extensively promote themselves in leading positions because they can reach them easily without any discriminating barriers from men.

The two countries also differ in terms of uncertainty avoidance, U.S. preferring the certainty of today, whereas Japan is more open to unexpected situations.

Looking back at the long term orientation dimension, once again there is a big difference between Japan and U.S. The latter is defined by "karma", time being perceived as not linear, lack of punctuality is not considered an issue and people usually stick to one job all their lives.

The two countries differ in a way regarding restrained and indulgence. While the Americans are happy with their lives and their lifestyle, the Japanese do not put much emphasis on leisure time and control the gratification of their desires.

The six cultural dimensions defined by Hofstede are of great importance as they characterize the essence of people and cultures.

Managers and Negotiation – Japan and U.S.

In order to get a clear and fair view upon different styles of negotiation regarding the people from Japan and U.S., I have interviewed three Romanian managers that have had a cross-cultural experience.

Their experiences seem to be at least interesting, in every aspect of their business. Their perspectives upon life, people, knowledge, culture and life style have certainly transformed during the time spent in doing business with foreigners. One particular aspect that appeared to be stimulating for my study was their perception upon the negotiation style in these specific countries.

Table 1 – Basic Information about Respondent 1

Interviewee 1	
Gender	Male
Age	30
Home country, city	Romania, Bucharest
Activity domain	Sales Manager
Education	Business Administration (Academy of Economic Studies, Bucharest)

In the first phase of the interview I have asked the sales manager which was the Americans negotiating goal contract or relationship with him, the answer came immediately: *"It is not very important for them to form a relationship with those that they are having business dealings with. They are firm and direct therefore getting straight down to business is the only thing important to them."*

When it comes to perception upon life: *"Their major concern regarding life is their career; everything they do in their life has as a main focus their career. Most of them like to explore their capabilities and then exploit their best capability, to make a living out of it, to transform it in a job. I find this really admirable and is a concept that I would like to find it in our culture also."*

The main concern of the interview was the negotiation style used by American managers, how employees work with their managers and in order to find out his point of view I was interested in his U.S. business experience. I have asked him to describe the relation between the employees and the manager from the companies he has business with, relation that he described as being pleasant: *"Both the employees and the managers were friendly and there was a pleasant atmosphere at the work place. What was interesting, in my opinion, is that there were no relatives involved and by this I mean that working with members of your family is quite unconceivable over there. For discussions and negotiations Americans use every possible moment of day and often prefer to go beyond the protocol provided by the halls or office. They don't like mixing things, work is work and relatives must stay outside work. It's regarded as a form of unprofessionalism to employ family members or even friends."*

Another important feature was the orientation towards future or past of American managers, and from his experience, he replied that: *"Certainly American managers are future oriented, mainly because their culture is pretty new, with lots of persons with different cultures that immigrated recently to the U.S. and they do not have centuries of tradition in certain domains. They are writing right now their history, and of course they are looking forward to achieving a certain position. Also for them careers are very important and they are constantly seeking to do things for their careers. I believe that this has a strong connection to the negotiation style, they understand that in order to succeed there is a strong need for organizations and planning, that in order to be someone you must fix some goals that you must plan your career, to plan your future."*

In determining the characteristics features of a U.S. businessman, I asked him to give me some examples: *“The Americans are generally warm and sincere; confident and positive manner thinking; they talk confident and they have strong skills in negotiating offers.”*

Another question was about the behavior at the end of negotiations: *“Offering gifts to U.S. partners are normally accepted facts, but not necessarily expected. Gifts are offered after business discussions have been concluded. Gift giving is limited by U.S. companies. A gracious written note is always appropriate and acceptable*

At the end of the interview, I have asked him to give me three examples on how to win in a negotiation, and the answer was: *“Do your homework, shut up and listen and show the other person how their needs will be met. Never go to a negotiation without doing your homework; it’s the most important tool.”*

Table 2 – Basic Information about Respondent 2

Interviewee 2	
Gender	Female
Age	35
Home country, city	Romania, Bucharest
Activity domain	Florist Manager
Education	Finance and Banking Faculty (Academy of Economic Studies, Bucharest)

Moving on to my next interviewee, I shall draw the most important features of a Japanese negotiation style. In the first phase of the interview I have asked the florist manager if she thinks that culture is an important factor to consider when doing cross-cultural business negotiations, especially in her field. The answer was: *“Yes, culture is definitely important for example I noticed that Japanese always order a particular color of flowers in comparison with someone from an European country. Being aware of cultural differences could help make a business negotiation successful.”*

When problems appeared during the negotiation: *“There was no typical way to solve a problem. They were looking for a good solution on the spot, the most important aspect in my opinion being that they were always creative, innovative.”*

Regarding the negotiating goal contract or relationship, the answer was: *“The Japanese are willing to go over the same information many times to*

avoid later misunderstandings and achieve clarity, although the ambiguities of their own speech style often leave Westerners far from clear on their intentions. They are cautious, skilled in stalling tactics and won't be rushed."

I have asked the florist manager to relate me an example of decision-making, when the manager of the company that she works with, wasn't at the office: *"The final decision was taken, of course, by the management; they figure how to close the negotiation with the managers' approval. The Japanese are very cautious and conservative. But the process always involved employees too. I believe that this is decision-making process that involves employees too is the best decision-making process because you are constantly up to date with what happens in your company. If you decide without consulting your employees you might end up losing contact with the reality, you might have a different perception about what is happening within the company"*.

In her opinion, Japanese strongly value traditions: *"I believe that Japanese managers' value traditions and they want to maintain harmony in any situation and avoid conflict. They focus on the welfare of the group or organization. Clearly I may say that their orientation is a past orientation given the fact that they value and respect their traditions."*

Another question was regarding the behavior at the end of negotiations: *"Gift-giving is a central part of Japanese business etiquette. Bring a range of gifts for your trip so if you are presented with a gift you will be able to reciprocate. The emphasis in Japanese business culture is on the act of gift-giving not the gift itself. The best time to present a gift is at the end of your visit."*

At the end of the interview, I have asked her to give me three examples on how to win in a negotiation, and the answer was: *"There are a lot of examples, but from my point of view, the most important are: Don't be afraid to ask for what you want, don't give anything away without getting something in return and aim high and expect the best outcome. These three examples are very important in any business domain, not only in mine. "*

Table 3 – Basic Information about Respondent 3

Interviewee 3	
Gender	Female
Age	40
Home country, city	Romania, Bucharest
Activity domain	Human Resources Manager
Education	Management Faculty (Academy of Economic Studies, Bucharest)

The third participant of the interview was a Human Resources Manager that has lived in Japan for one year and now is in charge with recruiting Japanese in our country and Romanian in Japan. One of the questions that I have asked her was regarding the differences that she has found in Japan regarding the way that they negotiate and if it was hard for her to work with them. Her answer was: *"Japanese companies appreciate their workers, they see them as their strong point and in my domain it was very easy for me to communicate with them. When I find the right person from Japan to recruit, first of all, I show them respect and then we can start our negotiation part regarding their new job."*

In respect to the main issue of the interview, the negotiation style, she believed she has the experience in order to categorize the Japanese, and in her perception the negotiation style used by Japanese is directive. *"I consider I have enough work experience in order to decide upon categorizing negotiation styles, and as far as I am concerned I would say about the Japanese that they spend a lot time in documentation regarding any subject of any negotiation. For me as a foreigner it was very difficult at the beginning to be on the same level with them, because most of the Japanese companies are organized only by them."*

When asked to describe Japanese people she drew a picture of some emotional persons that live in harmony: *"They tend to place themselves in their own exclusive and closed communities. Accordingly, they have introverted personalities and they pay serious attention to harmony and cooperativeness in the group. They feel comfortable with familiar people in the communities they belong to. They developed their sense of allegiance in the group consequent to be exclusive. The behavior of competition and appealing themselves is observed only within their own community. On the other hand, they are enthusiastic in absorbing or imitating other cultures. Consequently, they have more interest in human feelings and emotions than scientific or logical concerns."*

When we reached the question about the relation between employees and managers she surely did: *"The best word to describe the relation between employees is formality. I admire the business relation between the employees and the managers because is based on mutual trust and respect, characteristics that I find to be highly valuable nowadays. Although I cannot state, under no circumstances that the work atmosphere was friendly, it was pleasant to work there."*

Another issue that greatly influences the cultural negotiation is the decision-making process. She noted that: *"Their decisions are long-term, for*

example: Do we want these people as partners in the future? Do we trust them? Is this the right direction for the company to be heading? Big decisions take time. "

She believed that problems were solved when they appeared according to specific guidelines because Japanese managers are traditionalist people. *"When problems appeared, they were solved according to the guidelines, slowly. There were lots of procedures to be done and Japanese managers do not have the custom of jumping over steps of a process."*

Another important feature was the orientation towards future or past of Japanese managers, and from his experience, she replied that: *"They look to the past – real or imaginary – for inspiration, motivation, sustenance, hope, guidance and direction. This culture tends to direct their efforts and resources and invest them in what already exists. They are, therefore, bound to be materialistic, figurative, substantive, and earthly."*

The last question from my interview was regarding the examples on how to win in a negotiation, and the answer was as follows: *"Never be in a hurry, Don't take the issues or the other person's behavior personally and always be yourself, the last one is from my point of view the most important. "*

As an overview, Americans believe human beings are either good or bad. They believe themselves to be in control of nature, are inclined to solve issues and focus attention on three variables of structure, strategy and system.

Hofstede has identified Americans to be the most individualist nation in the world and the response of the respondents to the question "How would you describe Americans?" confirmed the assertion of Hofstede. They explained that Americans are very self concerned, put a major emphasis on their career success and are not able to define themselves without a career orientation.

Americans value work well-done very much and assign great weight on organizing and deciding what is to be done and when is to be done. They base their beliefs on the fact that one can attain success by means of practice. American managers have confidence in themselves that they can head their environment and what happens in it, and they presume themselves to be in charge of the difficulties outside their home as strikes and crisis.

The USA business culture is the code that governs the expectations of social behavior and the conventional norm. Understanding the United States from a cultural standpoint is crucial since basic issues like social

interactions, practices, rituals, symbols, and the overall value systems are determined by people's culture.

Regarding the Japanese, they are a unique society; they are conditioned by exceptional historical and geographical constraints as well as by their thought processes in a language very different from any other. In their own society Japanese executives know exactly the manner they should use to address someone, depending on a superior, inferior or equal status.

The Japanese normally negotiate in teams, each member of which has a different specialty. The members of the team may change or increase, as the Japanese wish as many members of their company as possible to get to know you. There will be a senior staff member present who will dictate tactics, but he is rarely the one who does the talking. Each member will ask questions within the field of his or her competence, using the best linguist as the interpreter.

They never say no, never refute entirely another's argument and never break off negotiations as long as harmony prevails. This leaves them room for renegotiation sometime in the future if circumstances change. They will cancel a meeting if they think the conditions on which it was set up have changed. They will show exaggerated respect to your senior negotiator and expect you to do the same to theirs.

Cross cultural negotiation training builds its foundations upon understanding etiquettes and approaches to business abroad before focusing on cross cultural differences in negotiation styles and techniques.

Conclusions

From the information acquired during the research conducted for the present paper, several conclusions can be drawn, as they are presented in the lines below.

There is a growing need for a better comprehension of the cultural effects upon negotiation between two cultures and organizational practices that comes from the high level of globalization of the corporations and from the extended dependency of nations. In my opinion, differences must be accepted and we must learn to deal with them as they will not vanish with time.

Japan and U.S. differ in almost all cultural dimensions according to Hofstede, the negotiation between them could be very difficult and each case of negotiation varies from situation to situation.

Language teachers can help students by teaching them the appropriate styles and forms of the language that lead to better business communication. Language in a business situation also involves special attention to codes as part of reading signals. Understanding cultural connotations is a crucial aspect of conversation. Misunderstanding one word could cause a big loss in business.

For both countries, the six cultural dimensions defined by Hofstede are of great importance as they characterize the essence of people and cultures. Even more important is that these traits are worth taking into account in the field of business since acknowledging them and using them properly, whether with Japanese or American business man or woman, can lead to a successful end game.

When your business takes you abroad, it's very important to know the culture of the country you are visiting, their business etiquette and understand their traditions. It is necessary to understand which their particular aspects are and why that country is different from your country. We should know any intercultural conflicts between countries in order to avoid any mistakes, mistakes that could damage the business relationship you are building. A lack of cross cultural understanding can lead to misunderstandings which may result in offense.

The interviews I conducted helped me understand how people from our country interact and negotiate with the Japanese and the Americans. Also the research has proven that Romanian managers that have had previous cross-cultural negotiation experience are able to assess properly the style of negotiation from these two different countries. Their description is very much alike with that of famous theorists. With the help of the interviews I have understood once again how important negotiation is, that it is always present in our daily and business lives.

The study of negotiation in cross-cultural context comes to reveal the growing awareness of people about themselves, fact that also indicates the increase in the intellectual capacity of the human kind. Despite all we hear about the "borderless world," differing business customs and practices in fact continue to be invisible barriers to global trade. Cross-Cultural Business Behavior shows business executives how to overcome these unseen obstacles to international success.

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