

# International Business Negotiation: A Comparison of negotiation tactics between Japanese and American business professionals

M066411 周 咏

## 1. Introduction

The world has entered the 21<sup>st</sup> century, and Japanese companies are presently experiencing world-wide cooperation and competition. Almost all Japanese enterprises have established branches abroad and have further business development plans for the future, for example, establishing plants in China and Thailand and expanding business by promoting sales in developed countries such as America and Europe.

On the other hand, with globalization, foreign companies also have entered Japan to explore the Japanese market. In particular, the biggest economic power, the United States has extensive business links with Japan. Along with the advancement of globalization, businessmen are required to manage cultural differences at international business situations, as one of the essential managerial skill. However, intercultural negotiations are likely to become more complex and difficult than that of domestic one, due to the cultural influences to the value, attitude and behavior of the negotiators. On the other hand, successful intercultural negotiations could create new solutions, and bring mutually beneficial results.

In this thesis, chapter 2&3 introduce the background of intercultural negotiation in international business and the differences between Japanese culture and American culture. Through a questionnaire completed by business professionals and a case study in chapter 4&5, the differences between Japanese and American business professionals are analyzed.

## 2. Intercultural Negotiation in International Business

All communication is cultural—it draws on ways we have learned to speak and give nonverbal messages. We do not always communicate the same way from day to day, since factors like context, individual personality, and mood interact with the variety of cultural influences we have internalized that influence our choices.

In negotiating with people from different cultural backgrounds the most effective approach for overcoming possible communication barriers is understand the people with whom they work. Without clear mutual understanding, it is almost impossible for a business negotiator to reach his objectives.

## 3. Japanese Culture vs. American Culture

After several waves of immigration from the Asian continent and nearby Pacific islands, followed by a heavy importation of culture from China and Korea, the

inhabitants of Japan experienced a long period of relative isolation from the outside world. As a result, a culture distinctively different from other Asian cultures developed, and echoes of this persist in contemporary Japan.

Unlike Japan, the culture of the United States has been developing since long before the United States became a country. Today the United States is a diverse and multi-cultural nation.

## 4. Questionnaire

This research especially examined the negotiation tactics of Japanese and American business professionals, from the aspects of communication style and negotiation goals.

Through a questionnaire completed by business professionals in Japanese and American companies, the business negotiation tactics and human behaviors in negotiation were investigated.

## 5. Case Study

The case study is an intense, in-depth investigation of one participant. This participant is called a “case” and can be one person or one group. I will study a negotiation case in great detail, in the hopes of investigation results obtained in the questionnaire that are generally true.

## 6. Conclusion

Comprehending a target culture is a never-ending study. In this thesis I suggested that cultural diversity makes communicating effectively more difficult. Because people from different cultures perceive, interpret, and evaluate the world differently, accurately communicating needs and interests in ways that people from other cultures will understand becomes more challenging, as does fully understanding their words and meanings. Although communication becomes more difficult across cultures, creating mutually beneficial options often becomes easier. When negotiators overcome communication barriers, identifying win-win solutions—mutually beneficial solutions in which both parties gain—becomes easier.

In the present day, since the globalization of the world business has expanded, international business negotiation is changing. How do the business negotiators from different cultural backgrounds think about gift giving? How do the business negotiators from different backgrounds deal with the personal space and touch? Such questions make for other appealing research themes.