

## **RULES OF BUSINESS NEGOTIATION IN JAPAN**

**Holikova Ilona**

**Scientific Advisor:**

**Scientific Advisor - PhD Semenchenko T.O., Assistant Professor**

**Kharkiv Educational and Scientific Institute**

**SHEI “University of Banking”.**

When negotiating with Japanese business people, business people sometimes feel uncomfortable, puzzled, lost, irritated and the like, based on some unfamiliar customs and behaviors demonstrated by the Japanese business people. Nothing is more comfortable and secure than understanding the cross-cultural aspect. Understanding can facilitate communication and avoid misunderstanding. Understanding then can also make the Japanese business people feel comfortable. This also enhances business negotiations.

The following list includes points most important to remember when negotiating with the Japanese.

- The first person you contact in a Japanese company (or who contacted you) will be present throughout the negotiating period.
- 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.
- Their questions constitute an information-gathering process only. They are not about to make a decision based on your answers.
- However strong the team, they will have to refer back to the head office. Therefore, no decision will be made at the first meeting and probably not at the second.
- Their decisions will eventually be made by consensus; therefore, no person will stick out as an individual.
- The second meeting tends to go over the same ground as the first, but the questions will be in more depth — and will come from a different team.
- The Japanese negotiators bring their company’s position to the table with little authority to change it, so there is little flexibility in their position.
- Flexibility is more evident between meetings, when they have checked with their head office.

- 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.
- 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.
- Once the Japanese company has made its decision, the negotiating team then expects quick action and will criticize the partner if there is a delay.
- The Japanese will break off negotiations if the other side is too blunt, impatient or fails to observe protocol.
- If great respect is shown and very reasonable demands are made, they are capable of modifying their own demands greatly.
- They go to great lengths to preserve harmony throughout the negotiations and will strive to bring the two "respectable" companies closer together. They are happy to socialize in between meetings.
- 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 some time 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.
- They will sometimes bring to the meeting a very senior person (e.g., former minister) who is only a consultant to the company, but commands (your) respect and deference.
- They will use a middleman or go-between if they can find one. After all, if both sides trust him, then there must be harmony.
- Negotiating style will be non-individualistic, impersonal and unemotional, but emotion is important (it is just under the surface). Logic and intellectual argument alone cannot sway the Japanese. They must like you and trust you wholeheartedly, otherwise no deal!

To conclude, it is necessary to mention that Japanese and Westerner's negotiation styles are different on the one hand but similar on the other hand. Japanese and Western cultural values are often diverging. For instance, Japanese culture is very masculine and hierarchical. Hierarchies are very important in Japan, whereas Swedes (for our example) emphasize equality between males and females and strive to a flat society.

#### References:

1. "What You Should Know About Negotiating With Japanese". – Available online at: <http://www.businessinsider.com/negotiating>