



# Learning Objectives

The following key points constitute the main learning objectives of this unit:

1. Understanding the nature and special characteristics of negotiations in Japan.
2. Understanding how the Japanese negotiation style differ from global trend
3. Launching a discussion on the issue

# 1. Relationship Building

- Establishing a rapport or getting to know one another;
- Negotiation process usually starts with an introduction from a reference, a go-between, a third-party introducer;
- Before the first meeting, the reference is a prime source of information for both parties.

# 1. Relationship Building

- Three levels of executives are typically involved in the negotiation (top level executives, middle managers, and operational staff).
- Every member of the negotiating team must meet and feel comfortable with every member of the other side's negotiating team.
- Considerable time and expense are thus devoted to getting to know each other.
- In Japan, rarely is an attorney present during the initial part of the negotiation (*Americans negotiate a contract, the Japanese a relationship*)

## 2. Information Exchange

- Information exchanged focuses on both sides' needs and preferences,
- Negotiators are concerned with understanding the other side's point of view.
- Tactics: asking many questions in order to identify the needs and preferences of the other party while offering little information and ambiguous responses (in an attempt to understand the situation and associated details of the other's bargaining position).
- Primary bargaining strategy focuses on put the opponent on the defensive (by asking questions)

## 2. Information Exchange

- Information flows mainly from seller to buyer.
- During the negotiation process, several people on the same side may ask for the same information or explanation; everyone must be convinced, not just the key decision-maker.
- *Implicit mutual understanding* (to talk around a subject in order to get a holistic view): only after this is accomplished will negotiators get into details.
- Negotiators like to talk about practical solutions, resolving matters on a case by case basis. They allow the solution to precede the principle.

# 3. Persuasion and Compromise

- Persuasion as victory is secondary to the process of matching interests.
- There is not a clear separation of information seeking and persuasion. The two stages tend to blend together as each side more clearly defines and refines its needs and preferences.
- During the persuasion stage, the first position is rarely overstated, though sometimes vague. The first proposal is carefully drafted and reasonable.
- Negotiators offer what they feel is correct, proper, and reasonable. They tend not to ask for much more than they expect to get.
- Often, business negotiators often find themselves with no alternative plans.

# 3. Persuasion and Compromise


- Multiple caucus: often negotiators must obtain consensus both within the team and within the company.
- In general, bargainers do not make a concession without first taking a break; issues and arguments are considered away from the pressure of the negotiation table.
- In Japan, negotiators do not criticize in public, but seek harmony among all.
- Only a few persuasive tactics are appropriate: questions, self-disclosures, positive influence tactics, silence, a change of subject, recesses and delays, concessions, and commitments.



# 4. Concessions and Agreement

- Concessions are not made until all issues and interests have been exposed and fully discussed.
- Negotiators believe that they should understand the other side's position and how it relates to their own so that they are in a position to decide what concessions are needed to reach a final agreement.

# 5. Written Contracts

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- In Japan, written contracts tend to be very short, two or three pages; they are purposefully loosely written and primarily contain comments on principles of the relationship. If something goes wrong after signing the contract, the Japanese attempt to resolve it by mutual agreement.



# **6.**

## **Comparison between Japanese and American Styles**

# Summary of Japanese and American Business Negotiation Styles

Category	Japanese	Americans
Language	Most Japanese executives understand English, although interpreters are often used.	Americans have less time to formulate answers and observe Japanese nonverbal responses because of a lack of knowledge of Japanese.
Nonverbal behaviors	The Japanese interpersonal communication style includes less eye contact, fewer negative facial expressions, and more periods of silence.	American business people tend to "fill" silent periods with arguments or concessions.
Values	Vertical buyer/sellers relationship with sellers depending on good will of buyers is typical.	Speaking one's mind is important. Buyer/seller relationships are horizontal.

# Cross Cultural Negotiation

## FOUR STAGES OF BUSINESS NEGOTIATIONS

	Japanese	Americans
<b>Nontask Sounding</b>	<b>Considerable time and expense devoted to such efforts is the practice in Japan.</b>	<b>Relatively shorter period are typical.</b>
<b>Task-related Exchange of Information</b>	<b>This is the most important step - high first offers with long explanations and in-depth clarifications.</b>	<b>Information is given briefly and directly. "Fair" first offers are more typical.</b>

# Cross Cultural Negotiation

	Japanese	Americans
<b>Persuasion</b>	<b>Persuasion is accomplished primarily behind the scenes. Vertical status relations dictate bargaining outcomes.</b>	<b>The most important minds are changed at the negotiation table and aggressive persuasive tactics used.</b>
<b>Concessions and Agreement</b>	<b>Concessions are made only toward the end of negotiations - a holistic approach to decision making. Progress is difficult to measure for Americans.</b>	<b>Concessions and commitments are made throughout - a sequential approach to decision making.</b>