**Nishiyama**

**1. Common Japanese communication habits**

When it comes to do business with native speakers of English, many Japanese business people become *apologetic* and *tentative* when they speak English.

* They may even display peculiar and annoying verbal habits like repeating of “You know, you know,” “I don’t know, but…,” or “And uh…” before each statement.
* They may also *shift their eyes* and look away when they should be making good eye contact.

**In business**

* Japanese people act and react in certain ways expected of them according to their respective social positions

**2. Compensation system in Japan**

Compensation

Makes employees dependant on the company they work for, there is a huge base pay with family housing, commuting allowances based on the situation

Usually a small starting salary that increases with seniority

Workers are given a bunus twice a year on Obon and Kure which consist of 2 ½ to 3 months of the base pay.

Neiko Joretsu – Promotion by Seniority; Taishakuken Seido – Retirement fund system.

**3. Keiretsu system in Japan**

Keiretsu System

--Keiretsu – the handful of major conglomerates that control many Japanese industries

--Government bureaucrats and big businesses run Japan

--The 6 major groups are; Mitsubishi, Mitsui, Sumitomo, Sanwa, Fuyo, and Dai Ichi Kangyo

--2 Types of Keiretsu:

Horizontal – diverse group of companies that are not linked by a principal manufacturer.

Verticle – Cluster of firms linked through supply/distribution of a principal manufacturer

**4. Initiating business contacts in Japan**

- Japanese are preferred to have Face to Face meeting.

- Use *letter of introduction* by high status people or introducer. (= shoukaisha)

- Who can be Introducer? : Personal friend, banker, consultant…

- Step : 1) Find introducer - 2) let them to arrange face to face meeting for purpose of “Aisatsu”

- Reason: They can be a *mediator* when they have conflict each other. /They want to establish common ground, warm interpersonal relationship before they discuss business matters.

- Also, Japanese are often asking personal questions in order to gather information about partner.

**5. Soft-sell approach**

- The salesman needs to speak less, use or tolerate silence more, give Japanese buyer more personal space, expect that he knows buyer’s job, and is only doing what he must do, and don’t expect to become friends, or even friendly, too quickly.

- The Japanese sales approach is almost always a “soft sell” rather than “hard sell.” This is again based on the commonly accepted business philosophy in Japan that the buyer is king.

**6. Social taboos in the initial meeting in Japan**

- They tend to *blow their own horn* too loud and brag out their personal accomplishments.

- They become *too friendly too fast* and want to use a person’s first name right away

- They are quick to tell *jokes* that cannot be understood

- They often *praise their wives* *in public* and even talk freely about their divorces, remarriages

**7. What are typical questions that Japanese usually ask for socializing?**

- What university did you graduate from?

: Graduation from one of the more prestigious university is a good indication that person is intelligent and comes from a good family. Belonging to private or prestigious university mean their parents must have money to tutor their children through private lessons.

- Do you play golf?

: Having a membership in a famous country club indicates that the individual is rich and has a good network of high-level businessman friends.

- What is your blood type?

: Japanese also believe in the relationship between blood type and personality.

- Where were you born?

: The place of birth is a factor of common ground. People born in the same city or prefecture feel a

strong sense of affinity. Place of birth also indicates whether the individual is city person or countryside.

- What year were you born?

: Age is an important in Japanese society. Seniority in age means that a person has extensive practical knowledge, many years of experience, wisdom, good business contacts, and usually a higher status.

**8. Proper steps in sales presentation**

**(1) Approach**

* Though an appointment has been made a few weeks in advance, it will have to be rescheduled.
* It’s important to check how much time it will take to get to his office.
* When the Japanese client comes in, the visitor should stand up, shake hands and exchange *meishi*. Then they sit down. ⋆ In Japan, the visitor should not help himself before he is offered it by the host.

**(2) Attention**

* The salesman must analyze the prospective client’s mood to determine whether he should continue to engage in informal chitchat or get down to business right away.
* If the Japanese client seems ready to talk business, the salesman humbly presents information regarding the company’s recent business activities with an annual report and other printed materials.

**(3) Need**

* The salesman must find out what his client’s needs are by tactfully asking questions.
* He should be patient and slow down, and wait for reactions to each point of his presentation.
* He must clearly identify specific needs and try to meet them at the client’s request.

**(4) Satisfaction**

* The salesman must satisfy the needs by providing a specific proposal or sales contract.
* He needs to be prepared to answer all of questions about price, quality, delivery, payment, service, warranty, advertising allowance, and so on.

**(5) Close**

* After having seemed agreeable all along the way, the Japanese client may suddenly become vague and evasive because almost all major decision in Japanese business organizations, are made by consensus.
* The salesman must explain or answer questions fairly and tactfully until the Japanese side feels psychologically comfortable and ready to accept the proposed sales contract.

**(6) Follow-up**

* When the sale is conducted, the salesman should tactfully reassure the client that he has made a wise decision with such statement as “I’m sure that you made the right decision,”
* The salesman can also send a letter of appreciation to the client and/or make a telephone call and offer further assistance.

**9. Process of preparing negotiation**

To prepare for effective negotiation,  
 (1) determine the purpose of the negotiation; (2) assess the situation; (3) select appropriate

negotiation team members; (4) gather pertinent information

and data; (5) make an agenda; and (6) work out concession strategies.

**10. Japanese negotiation tactics**

Negotiation tactics

The Japanese may try to gain a psychological advantage by deception and obtaining more info through informal meetings

Contingent offer, they will never expose their own negotiating positions first positions first

Shifiting the blame and attacking the sincerity of the opponents victim mentality, when they are attacked by others they they see it as unfair and see themselves as weak or defenseless

Amae -- Indulgent Dependancy

**11. Arbitration of international dispute**

**12. Ringi**

- **Definition :** circulate a proposal,discuss,and decide

- Most common process of decision-making in Japan.

- **Steps :** The circulation is executed in reverse order of each individual’s hierarchical position, beginning with the lowest-ranked supervisor, to middle management, top management, and finally to the president

- Ringi process begins with kiansha (plan initiator),usually a lower or middle-ranking manager (supervisor or section chief), who is put in charge of drafting a ringisho (proposal).

- Before drafting this document,he discusses the general idea informally with key executives, managers, and supervisors. Only after getting fairly positive initial reactions from them will he draft the proposal document, which includes the request for a decision, supporting data and information,detailed explanations,and justifications. / This informal discussion is called nemawashi (= twisting the tree roots around)

**13. Public speaking in Japan**

the study of public speaking did not flourish in Japan because the Japanese people had

lived for centuries in a *feudalistic society* where public debate on democratic ideals was forbidden. In their hierarchical society where politeness and humility were encouraged, public display of one’s intelligence and expertise was considered inappropriate.Even today, public-speaking courses are not a part of the curricula of secondary and postsecondary education in Japan.

**14. Presentation in Japan**

**15. Japanese expatriates**

**16. Employment contract in Japan**

1. Japan,the kind of employment contract found in Western countries, *one with specific job descriptions, is very uncommon.* For example,a jirei or “letter of appointment”simply says,“You will be assigned to the Marketing Department.”*The new employee will need to learn what he or she is expected to do by going through an orientation,classroom training sessions,and on the-job-training*. Most overseas Japanese multinationals may have employment contracts patterned after the local business custom,but these   
contracts are *often treated as mere formalities*. In many instances, the contracts have implicit “unwritten segments” that should be understood and complied with without asking additional compensation.   
when a Japanese executive from the home office visits for an important meeting,the American manager may be required to show up for a meeting,even though it may be held on a Saturday afternoon.

2. Sometimes an employment contract may be arbitrarily canceled before its expiration. When this happens, the Japanese managers usually do not give specific reasons for cancellation with the excuse that doing so may hurt the feelings of the dismissed. They often use informal intermediaries, not lawyers, to persuade the employee to resign,as is the custom in Japan.In some instances, they may make up a seemingly legitimate excuse or even use an outright lie so apparent that the targeted employee can see the real reason for dismissal.For example,the Japanese personnel manager may say, “We will need to cut some positions because the ecomoical difficulty of company”

**17. Racial and Sex discrimination**

Because Japanese society has long been influenced by Confucian teachings on proper social relationships, Japanese women have for centuries played subordinate roles to men.  
In japanese society, Women are considered less dependable, less professional, and less capable.They also feel strong social pressures to play the traditional roles of *ryo sai kenbo* or “good wife,wise mother.”Consequently, most working women are rarely given permanent positions with responsibilities no matter how well educated and how professionally competent they might be.

**Glossary and class notes**

**①** **High context culture & Low context culture / communication**

- High context communication: the message cannot be understood without a great deal of background information.

- Low context: spells out more of the information explicitly in the message.

**②** **Rule based & Relationship based culture**

**③** **Meishi manner**

- Purpose: Clarifies the proper status relationship between individuals meeting in first time.

- Should have business card in both English, Japanese in high-quality paper

- Handy so you can take out easily immediately on meeting

- Extend your card facing receiver so they can read easily

- Receive their cards with both hands with slight bow

**④** **American salesman tactics**

a. Offensive sales tactics :“Never take ‘No’ for an answer,” & “Yes, but” technique

b. Threat Customers: Western salesman may try to pressure the Japanese to accept an offer by saying, “If you won’t take this final offer, I guess I’ll have to deal with one of your competitors.”

c. Printed words with difficult terms.

**⑤**

**⑥**

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**Further Questions**

Consider potential conflicts and misunderstandings that might arise between Japanese and western business people. What possible solutions to these problems can you think of? How would your solutions best be implemented? Or, better yet, how can both parties avoid these kinds of problems?

**Possible conflicts**

1. They tend to blow their own horn too loud and brag out their personal accomplishments.

2. They become too friendly too fast and want to use a person’s first name right away

3. They are quick to tell jokes that cannot be understood

4. They often praise their wives in public and even talk freely about their divorces, remarriages, and former wives