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Intercultural factors in business negotiation between Japanese and Americans

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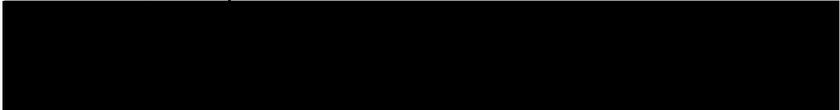
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This thesis is a review of relevant literature on busi-
ness negotiation between Japanese and American and an analy-
sis of cultural differences in negotiation from an inter-
cultural perspective. The following four key issues are
explored and analyzed with intercultural communication con-
cepts:

1) major differences in approaches to the process of
    business negotiation between the United States and
    Japan;

2) potential friction between Japanese and Americans in
    business negotiation that is attributable to Japanese
    and American cultural differences;

3) the applicability and usefulness of an intercultural
    perspective in enhancing business negotiation skills;
    and

4) main factors affecting the use of an intercultural
    perspective in cross-cultural business negotiation
    and the degree to which they are manifested in the
    U.S.-Japan business negotiations.

The review of the relevant literature on Japanese and
American business negotiation showed that despite the con-
sistency of stages in the negotiation process between the
two cultural groups, the content and duration of each stage
differs substantially between cultures. The differences
and their consequences, including potential friction be-
tween the two groups are attributed to cultural differences
in assumptions and values orientations, in philosophies of
negotiating, in communication styles, in decision-making
processes, and in situational constraints and status re-
lationships.

Culture is operationally defined as subjective cul-
ture, i.e., human cognitive and perceptual processes

either in the individual sense or in the collective sense.
Thus, employment of an intercultural perspective is assumed
as an indispensable prerequisite for effective human commu-
nication of any sort to take place. Thereby, in this study
negotiation is also operationally defined as a process of
cultural synergy between two (or more) differing entities.
The applicability and usefulness of an intercultural per-
spective in business negotiation is discussed in terms of
the assumption of perceptual variance and synergistic
conflict resolution.

The thesis includes an examination of the impact of
situational constraints upon cultural adaptability. The
basic assumption is that motives to cooperate and power re-
lations between parties tend to dictate who accommodates
behavior more, thus who is more willing to use an inter-
cultural perspective in cross-cultural business negotiation.
A review of the relevant literature on U.S.-Japan business
negotiation case studies suggested that the greater a
party's motives and stakes are in conflict, the more cul-
turally accommodating a party becomes. The successful
U.S.-Japan business negotiation case studies also exemplify
the emergence of cultural synergy through strong commit-
ment to collaboration on the part of both sides.

INTERCULTURAL FACTORS IN BUSINESS NEGOTIATION

BETWEEN JAPANESE AND AMERICANS

by

YUKO NAGATOMO

A thesis submitted in partial fulfillment of the
requirements for the degree of

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TO THE OFFICE OF GRADUATE STUDIES:

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CHAPTER I

INTRODUCTION

The essential difference between international and domestic business negotiations is that international negotiation encompasses a wide diversity of environments of the countries involved. The effective strategies and tactics of international business negotiation, therefore, requires a great degree of modification of perspective and an understanding of the characteristics of the particular foreign environment in which negotiation takes place (Kapoor, 1975, pp. 1-3). However, when individuals enter a foreign environment, what is most likely to happen is that they use a "self-reference criterion -- the unconscious reference to one's own cultural values" in judging situations in the new environment (Lee, 1966; Hays et al., 1972; Kapoor, 1975). This is where one of the basic difficulties in international business negotiation lies. A part of the purposes of this study is to make cultural values more visible, thus adding cultural awareness to international business negotiation.

One of the reasons why culture is not taken into account is because of a "convergence hypothesis." The notion of a "convergence hypothesis" claims that "'the logic of in-

dustrialism' inevitably leads to a convergence which cuts through and undermines 'tradition' irrespective of the main features of culture, history and values with which the industrializing society began" (Karsh and Cole, 1968, pp. 46-47). No doubt there is a certain connection (but not correlation) between the superstructure (social change) and the substructure (technology). Yet as many studies on the Japanese managerial system indicate, despite the rapid Westernization of technological aspects of Japanese industries Japan still remains within a non-Western sociocultural context. Japanese society is changing and will continue to change. However, it does not necessarily imply that convergence of the Japanese and Western social structures (not their social organizations but their fundamentals) is actually occurring or could be possible over time (Agegglen, 1958, Nakane, 1970; Dore, 1973; Peterson and Schwind, 1977). Pascale and Maguire's (1978, 1980) studies, for example, provide more support for "sociology of organizations/convergence" argument than for "cultural diversity." Yet those data are not necessarily suggestive of convergence in their fundamentals. The argument on the "convergence" is beyond the scope of this study. But this study takes the view that at least at the present time the two highly industrialized societies are still described as mirror images of one another, even though a number of simi-

larities may be reflected on the surface.

Needless to say, culture is not the sole determinant of negotiating behavior. For instance, rapid changes in international political and economic situations do contribute to a shift in the bargaining strengths of the parties. Negotiation is dynamic and multidimensional, and subject to various environmental conditions as well as such factors as issues, events, expertise, and personalities. Hence, although culture is a (not the) factor underlying and surrounding the negotiation process, given the quite dissimilar cultural contexts in the United States and Japan, the success or failure of the business negotiation between the two groups would be influenced to a great extent by the degree of their understanding of the fundamental cultural differences underlying their approaches to the negotiation process. This study adds to that understanding.

RATIONAL

The literature focusing on doing business with the Japanese has yielded numerous books and articles of an analysis of basic differences in philosophies, values, history, economy, politics, and so on. Few studies can be found that synthesize the situations using intercultural concepts. The basic assumption underlying this study is that the application of intercultural communication principles pro-

vides an analytical framework according to which the act of
intercultural business negotiation can be examined, analy-
zed, and discussed, and that the awareness of its implica-
tions helps international business negotiators better pre-
pare for and cope with their problems.

The goal common to all negotiations is the satisfaction
of needs. We negotiate to fulfill our needs and resolve
our differences in interests. However, we differ in cogni-
tion, affection, and behavior and we all have our own
unique ways of perceiving and creating reality. If culture
is defined as a process of reality construction, "each of
us is culture in himself or herself" (Casse and Deol, 1985,
xii). All human interactions are intercultural by defini-
tion. The basic stance of this study, therefore, is to
view all negotiations as culturally loaded. (Culture, in
its broadest sense, may be himself/herself, male/female,
parent/child, husband/wife, superior/subordinate, or manage-
ment/labor and so on.)

Hence, if all negotiations are seen as intercultural
encounters, it seems reasonable to assume that employment
of an intercultural communication perspective is not only
a useful tool for effective communication in cross-cul-
tural negotiation but is perhaps a basis for learning some
of the skills and strategies necessary for the success of
negotiation of any sort. This study, however, is not in-
tended to verify that employment of an intercultural per-

spective is a panacea for all the ills that may arise in American and Japanese business negotiations. Rather, it is an exploration of the applicability and usefulness of an intercultural communication perspective in providing a direction of improvement in communication and negotiation skills.

There are two factors that have intentionally limited the scape of this study. One is the fact that intercultural communication is a product of an American frame of reference (Hoopes, 1979, pp. 10-13). Thus, only American sources will be consulted for explicating the analytical frame. The second factor is that little Japanese literature on approaches to negotiation is available in the United States. Thus, the purpose of this study is limited to considering possible intercultural factors in business negotiation models that have been constructed by Americans. While it would certainly be of interest to also consider purely Japanese models, it is assumed here that both Japanese and American readers will benefit from considering the impact of culture on the negotiation approaches commonly used by Americans.

PURPOSES AND RESEARCH QUESTIONS

The ultimate goal of this study is to discuss the extent to which an awareness of an intercultural perspective could contribute to the development of both American and Japanese

business people's negotiating skills in dealing with one another. Basically, the nature of the study is congruent with two major distinctive characteristics of international management: "adjustment of strategy to varied environmental conditions and behavioral sensitivity and adaptability" (Fayerweather and Kapoor, 1974, p. 19). This study is intended to serve both as a literature review and as an essay on business negotiations between the United States and Japan from an intercultural perspective. The research questions to be asked, therefore, include the following:

1. What are the major differences in the process of business negotiation between the United States and Japan? (Chapter II)

   The question includes 1) defining the four stages of business negotiation and 2) identifying major discrepancies in Japanese and American business negotiating styles.

2. What are the major problems confronted by American businessmen negotiating with the Japanese that are attributable to Japanese and American cultural differences? (Chapter III)

   This question is concerned with potential friction between Americans and Japanese in business negotiation arising from the cultural differences. (However, it will not inquire specifically into conflict resolution.) The main concern is with cultural sensitivity

that affects the negotiation process. The question will be construed in terms of cultural differences in 1) assumptions and values, 2) philosophies of negotiating, 3) communication styles, 4) decision-making processes, and 5) situational constraints and status relationships. However, much weight in the literature review will be given to exploration of the nature and characteristics of the Japanese value system that regulates the negotiating behavior of the Japanese, thereby affecting the strategies of the Americans.

3. What are some relevant intercultural communication principles, and what is the applicability and usefulness of an intercultural perspective in enhancing business negotiating skills? (Chapter IV)

To answer this question, first certain principles of intercultural communication will be defined and analyzed in terms of their implications for culture-biased communication problems. They are: 1) awareness of cultural contrast, 2) empathy, and 3) ethnorelativism. Then the applicability and usefulness of an intercultural perspective in negotiating skills will be discussed regarding 1) perceptual variance and 2) synergistic conflict resolution.

4. What are the main factors affecting the use of an intercultural perspective in cross-cultural business negotiation, and how are they manifested in the U.S.-

Japan business negotiations? (Chapter V) The dis-
cussion of this question will center around two inter-
related factors -- motives and power relations between
parties and their impact on the degree of the parties'
cultural accommodation. Two U.S.-Japan business nego-
tiation case studies will be reviewed in opposite con-
texts. Finally with the qualification of the term
"accommodating," cultural accommodation as negotiating
power will be addressed.

In the final chapter after brief clarification of the
main points of the previous chapters, the future of cultural
awareness in business and negotiation will be discussed.
The discussion will be based on a review of the research on
U.S managerial perceptions of intenational expertise by
Kobrin (1984). While the study in question is concerned
with U.S. firms only ("Fortune 500" industrial firms), its
data have enough applicability and generalizability to
address the issue of the importance of cultural awareness
and cultural training for prospective business leaders of
both the United States and Japan. Thus, exploring this
issue will be expected to serve to sum up the underlying
purposes and efforts of this study.

CHAPTER II

CROSS-CULTURAL BUSINESS NEGOTIATION

INTRODUCTION

This chapter serves as an introduction to this study, in particular to the subsequent chapter. It concerns itself mainly with clarifying the scope of this study through an overview of the literature on negotiation and a brief summary of the relevant literature on cross-cultural business negotiation.

The literature review in this chapter consists of four major sections: 1) the literature on negotiation, 2) definitions of negotiation, 3) major problems in cross-cultural negotiation, and 4) the process of business negotiation. The final section will address the issues concerning the different approaches to the process of business negotiation in the United States and Japan (research question #1).

THE LITERATURE OF NEGOTIATION

A Schism Between Institutional and Empirical Literature

The literature on negotiation falls into two categories -- the institutional literature in industrial relations by professional negotiators and the experimental or theoretical literature by negotiation scholars. There is a large schism between the two approaches to the subject (Stevens, 1963, xi-xii; Zartman, 1976, p. 6; Strauss, 1978, pp. 7-11; Rubin, 1985, p. 5). The institutional literature is essentially descriptive accounts of the encounter and "there have been very few studies of real-life encounters that use or test notions derived from theoretical or experimental studies" (Zartman, 1976, p. 6). On the other hand, the theoretical or experimental literature, much of which utilizes game theory paradigms, has rarely reached to the outer world in search of real bargaining incidents (Rubin and Brown, 1975, p. 298). To put it in Zartman's words, "the first is often uninteresting to the scholar, and the second is incomprehensible to the negotiator." The large communication gap between those who practice negotiation and those who study it has hindered a comprehensive understanding of the bargaining process.

Zartman (1976, pp. 20-32) suggests a useful framework for studying negotiation by categorizing seven schools, where "each explains outcomes in terms of a different variable and each has something to tell both the observer and the practitioner, although it must be said that the line between any two schools is not always very sharp." The seven schools are:

1. Historical description, explaining a given out-come through a particular set of ingredients or through one unique element.

2. Contextual, which sees outcomes determined by a particular phaseological interpretation of his-tory, referring either to the history of the negotiation itself or to the larger phase of history into which it fits.

3. Structural, finding its explanation of outcomes in patterns of relationships between parties or their goals.

4. Strategic, focusing on the element of choice, as determined by the structure of the values at stake and also by the other party's patterns of selection.

5. Personality types to explain outcomes, combining some of the insights of the structualists with those of the behavioralists in the search for a single key to negotiation.

6. Behavioral skills, explaining the impact of speci-fic behavioral traits on negotiation process and outcome.

7. Process, looking at negotiation as a challenge-and-response encounter in which the moves are the inputs, and negotiating is a learning process. Parties use their bids both to respond to the pre-vious counter offer and to influence the next one; the offers themselves become an exercise in power.

Zartman claims that none of those approaches alone pro-
vides a comprehensive explanation of the negotiation process
because "negotiation is a complex process, with many of its
complexities still unexplored."

Cross-Cultural Business Negotiation

The business literature that deals exclusively with
cross-cultural negotiation is sparse. As Graham (1983)
points out, "a few have appeared in business journals (Van
Zandt 1970; Jastram 1974; Kapoor 1974; and Wells 1977),
but they are primarily descriptive and often anecdotal
in nature. No confirmation of findings has been reported
and occasionally opposing prescriptions have been suggested"
(p. 47). Due to the surge of interest in Japanese manage-
ment techniques numerous "doing-business-with-the-Japanese"
works have appeared in the past several years. But again,
they are centered around prescriptive advice and tend not
to be grounded in research or testable theory. Graham's
(1983) empirical research on the determinants of the out-
comes of business negotiation in three cultures -- Japan,
Brazil, and the United States deserves close attention as
a rare exception to the rule. (The study was designed to
simulate the essential elements of the actual negotiations
observed in his preliminary field work.)

This paper is not intended either to bridge the afore-
mentioned schism between the two approaches to the nego-

tiation process (institutional and empirical) or to develop a theoretical model of cross-cultural business negotiation. As already mentioned, the study of negotiation encompasses various theories and practices. When a cultural dimension is added to this broad terrain, the complexities of the issues are further compounded. With this in mind, the issue of cross-cultural negotiation in this study is tackled from a different perspective, by looking at U.S.- Japan business negotiation as a process of cultural synergy between two entities. The main focus, therefore, will be on 1) identifying some of the psycho-and-socio-cultural factors underlying the negotiating behavior of the two cultural groups, with particular emphasis on those of the Japanese, and ultimately on 2) exploring the applicability and usefulness of inter-cultural communication principles in enhancing cross-cultural negotiation skills.

NEGOTIATION DEFINED

Definitions

Negotiation has been defined in various ways. In its general sense, negotiation can be defined as "the settlement of differences and waging of conflict through verbal exchange" (Rubin, 1985, p. 5). It can be considered as one of the basic processes of decision making among parties concerning the selection of a single value out of many

(Zartman, 1976, p.7). It is also viewed as a "mixed motive game": the ambivalence of a player's relation to the other player, the mixture of mutual dependence and conflict, of partnership and competition (Schelling, 1963, p. 89). Yet most of the definitions contain common components and some of the basic characteristics of the negotiation process are summarized by Ways (1985, p. 20) as follows: "Negotiation is a process in which two or more parties, who have both common interests and conflicting interests, put forth and discuss explicit proposals concerning specific terms of a possible agreement." More specifically, this definition involves two crucial factors:

1.   The existence of "common interests" and
     "conflicting interests." Unless both are
     present, in either an overt or a latent
     way, negotiation makes no sense.

2.   The specificity of agreements are not in-
     tended to abolish all conflict between the
     parties. Negotiated accords work best when
     their substance is quite limited and clearly
     defined. (Ways, 1985, p. 20)

The Context of Negotiation

For purposes of this study the analysis of the con-
text of negotiation suggested by Kapoor (1975) is useful
in looking at negotiation in relation to the larger struc-
tural context within which negotiation occurs. Kapoor
argues that the nature of negotiation includes the follow-
ing dimensions as shown in **Figure 1.**
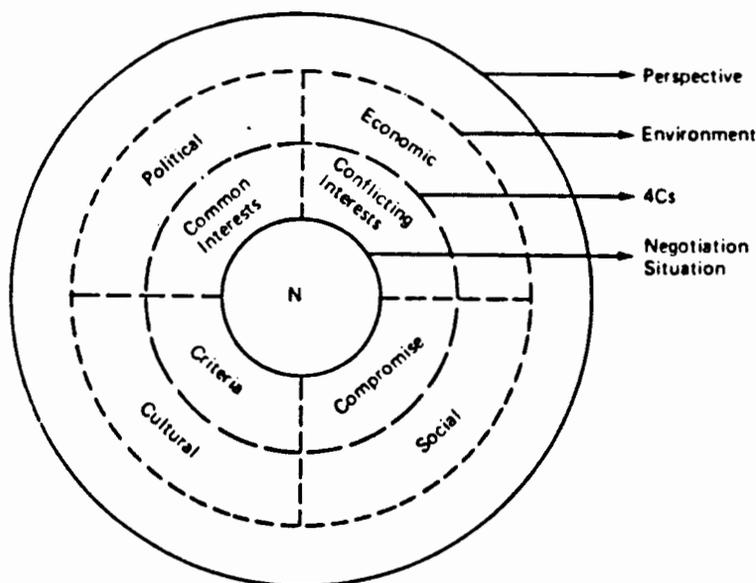
Figure 1. The context of negotiation.
Source: Kapoor, 1975, p. 2.

Thus:

1.   Negotiation is typically characterized by
      four Cs which represent common interests
      (something to negotiate for), conflicting
      interests (something to negotiate about),
      compromise (give and take on points), and
      criteria or objectives (determining the
      objective and the criteria for its achieve-
      ment).

2.   Negotiation takes place within the context
      of an environment composed of the political,
      economic, social, and cultural systems of a
      country. The strategies and tactics of nego-
      tiation are directly influenced by the envi-
      ronment, which varies with each country.

3. The negotiator must develop a broad perspective that requires to understand the characteristics of the broader framework within which he negotiates and to be able to interpret the framework for its implications for the specific negotiation he is engaged in.

4. Over times the four Cs change and the information, know-how, and alternatives available to the internationl company and the host country also change, resulting in a fresh interpretation of the four Cs, the environment, and perspective.

5. The unique characteristic of international versus domestic business negotiations is that international negotiations are influenced by a wide diversity of environments that require changing perspectives which determine the selection of appropriate tactics and strategies of negotiations to be adopted. (Kapoor, 1975, pp. 2-3)

MAJOR PROBLEMS IN CROSS-CULTURAL BUSINESS NEGOTIATION

With respect to the broader framework of negotiations Kapoor (1975) organized some of the major mistakes made in cross-cultural business negotiations into four broad and interrelated categories; empathy, role of government, decision making characteristics, and organizing for negotiations as follows (pp. 5-11):

Empathy

1. Failure to place yourself in the other person's shoes.
2. Insufficient understanding of different ways of thinking.
3. Insufficient attention to saving face of the opponent.
4. Insufficient knowledge of host country.

Role of Government

1. Insufficient recognition of the nature and characteristics of the role of government in centrally planned economies.

2. Insufficient recognition of the relatively low status assigned to businessmen.

3. Insufficient recognition of the role of host government in negotiations.

4. Insufficient recognition of the perception of host countries of the role of the international company's home government in negotiations.

Decision Making Characteristics

1. Insufficient recognition of the weights assigned to economic and political criteria in decision making.

2. Insufficient recognition of the difference between approval at one level and implementation of such approval at other levels of the government.

3. Insufficient understanding of the role of personal relations and personalities in decision making by the host government.

4. Insufficient allocation of time for negotiations.

Organizing

1. Insufficient attention to planning for changing negotiation strength.

2. Interference by headquarters.

3. Insufficient planning for internal communication and decisions.

4. Insufficient recognition of the role of the negotiator in accommodating the conflicting interests of his group with those of the opposing groups.

5. Insufficient recognition of the loci of
   decision making authority.

6. Insufficient recognition of the strength
   of competitors.

7. Insufficient attention to training execu-
   tives in the art of negotiation.

Although the four categories are all interrelated with
one another and equally essential with regard to the in-
fluence on the negotiation process, this is not the place
to review all of the issues. This study mainly concerns
itself with two of the four categories -- empathy and some
of the basic characteristics of decision-making that can
be seen most pertinent to an intercultural communication
perspective. Consequently, though the issue of role of
governments is important in the negotiation between the
United States and Japan, the subject will be touched on
only briefly in favor of concentrating on face-to-face
interaction factors.

THE PROCESS OF BUSINESS NEGOTIATION

The Four Stages of Business Negotiation

Graham (1981) pointed out that in both Japan and the
United States business negotiations proceed in the follow-
ing four stages (p.6).

1. non-task sounding;

2. task-related exchange of information;

3. persuasion; and

4. concessions and agreement.

The first stage, non-task sounding, refers to all those
activities such as "establishing rapport" or sizing up one
another, but "does not include information related to the
business of the meeting." The information exchange in the
second stage is concerned with "the parties' needs and
preferences," in other words, "the parties' subjective
expected utilities of the various alternatives open to the
interaction." The third stage, persuasion, involves "the
parties" attempt to modify one another's subjective ex-
pected utilities through the use of various persuasive
tactics." The final stage of business negotiation refers
to "the consummation of agreement which often is the summa-
tion of a series of concessions or smaller agreements."

The key point Graham made here is that "despite the
consistency of this process across cultures, the content
and duration of the four stages differs substantially
between the two cultural groups" (p. 6). This finding is
congruent with other authors' contention that while the
overall negotiation process may be similar across cul-
tures, specific implementation differs (Graham, 1983,
p. 49. See also Sawyer and Guetzhow 1965; Kay 1970;
Frake 1972; Van Zandt 1970: Condon 1974). Hence, the
differences of four stages of business negotiations
between Japan and the United States are illustrated in
Table I.

TABLE I

SUMMARY OF JAPANESE AND AMERICAN BUSINESS
NEGOTIATION STYLES

Category	Japanese	Americans
Four stages of business negotiations		
1. Non-task sounding	Considerable time and expense devoted to such efforts is the practice in Japan	Relatively shorter periods are typical
2. Task-related exchange of information	The most important step – high first offers with long explanations and in-depth clarification.	Information is given briefly and directly. "Fair" first offers are more typical.
3. Persuasion	Persuasion is accomplished primarily behind the scenes. Vertical status relations dictate bargaining outcomes.	The most important step: Minds are changed at negotiation table and aggressive persuasive tactics used.
4. Concessions and agreement	Concessions are made toward the end of negotiations – holistic approach to decision making. Progress is difficult to measure for Americans.	Concession and commitments are made throughout – a sequential approach to decision making.

Source: Graham, 1981, p. 14.

Major Discrepancies in Japanese and American Business Negotiation Styles

A significant difference in business negotiations between the two cultural groups is presented by Graham's (1981, 1983) studies. In American negotiations the outcomes of business negotiations are primarily determined by events at the negotiation table (problem-solving oriented bargaining strategies), while interpersonal relations, which refer to both impression formation accuracy (sizing up one another, establishing an interpersonal rapport) and situational constraints (vertical/status power relations between buyer and seller), are a more important variable in Japanese negotiations. In other words, Americans tend to spend the most time in the third stage of negotiation, i.e., persuasion where "they openly disagree and use aggressive persuasive tactics such as threats and warning;" alternatively, Japanese negotiators spend much more time in "trying to understand the situation and associated details of one another's bargaining position" during the first two stages of the negotiation, so that "little persuasian is necessary" (Graham, 1981, p. 7).

As a result, Graham's (1981) findings showed that "Americans consistently report frustrations because of the long periods and great expense of non-task sounding and the ambiguous responses during information exchange," while "Japanese businessmen report discomfort with the American 'need to get down to business now' and their

aggressive and relentless persuasive tactics" (p. 7).
Furthermore, according to Graham (1981, 1983), in nego-
tiation games between Japanese the players who were able
to make bargaining opponents feel comfortable achieved
higher profits (implicit power plays). Conversely, the
negative effect of interpersonal attraction on individual
profits was found in American negotiations; Americans
achieved higher profits by making opponents feel uncom-
fortable (explicit power plays).

However, those findings need to be interpreted with
caution. With regard to "compliance-gaining" communication
there are contradictory findings reported by researchers
using different methods. Lustig and Myers (1983), for
example, who used the Marwell and Schmitt (1967) strate-
gies found that "American subjects were less likely to
use persuasive strategies than subjects from five other
countries. Japanese subjects were found to be unlikely
users of contingency strategies (e.g., threat, altruism,
promise, and pregiving) but likely to use dispositional
strategies (e.g., positive self-feeling, positive ex-
pertise, and positive altercasting)" (Neuliep and
Hazleton, 1985, p. 390). The study of Burgoon et al.,
(1982) using the same Marwell and Schmitt (1967) strate-
gies also found "a tendency for Asians to have a higher
likelihood of using virtually all of the persuasive
strategies, but particularly the positively oriented ones"
(p. 97). However, Neuliep and Hazleton (1985), who claim

a lack of representational validity of the Marwell and
Schmitt typology, provide data that contradict the find-
ings of Lustig et al., (1983) and Burgoon et al., (1982).
They found "a clear preference among the American sample
to use both promise and positive expertise significantly
more than the Japanese" (p. 401). Furthermore, in their
study the three strategies most preferred by the Japanese
sample include 1) explanation, 2) direct request, and 3)
deceit (p. 399).

Any laboratory experiments are problematic in nature
in terms of the external validity and the generalizability
of the findings. Aside from the potential limitations in
the representativeness of the sample and in the method-
ology as well as the bias of the researcher, which are
common to any study, the main reasons for the limited
applicability of game experiments in bargaining lie in
the lack of "the long-term context" and "the richness
and importance of the context of bargaining situation"
(Ikle, 1985, p. 171). In real-life settings the value
of the long-term relationship with the opponent (the
cumulative long-term effects) often outweighs that of
the outcome of a particular one-shot-deal negotiation
(short-term gains), thereby affecting a whole set of
negotiating behavior among the parties. For this and
other reasons careful consideration needs to be given
on "the validity of the principal outcome measure, in-
dividual profits" in Graham's (1983) study.

Nevertheless, for the purposes of this study the findings presented by Graham (1981, 1983) are considered useful in providing some evidence that suggests that regardless of the change of the context (from domestic to international) both American and Japanese negotiators have cultural idiosyncracies that dictate their negotiating behavior, particularly at the unconscious level. There are several important cultural considerations involved in those findings:

1) differences in cultural assumptions and value orientations;

2) differences in philosophies of negotiating;

3) differences in communication styles;

4) differences in decision-making processes;

and last but not least,

5) differences in status relationships (vertical vs. horizontal) between buyer and seller.

Those issues will be examined in detail in the following chapter.

CHAPTER III

PROBLEMS IN THE NEGOTIATION PROCESS THAT ARE ATTRIBUTABLE
TO CULTURAL DIFFERENCES

INTRODUCTION

This chapter will focus upon identifying some of the
psycho-and-socio-cultural factors underlying the negotiat-
ing behavior of Japanese and Americans. The research
question (#2) to be explored is: What are the major problems
confronted by American businessmen negotiating with the
Japanese that are attributable to Japanese and American
cultural differences? The discussion will be centered
around the following five major issues: 1) differences
in cultural assumptions and values; 2) differences in
philosophies of negotiating; 3) differences in communi-
cation styles; 4) differences in decision-making pro-
cesses, and 5) differences in situational constraints
and status relationships.

DIFFERENCES IN CULTURAL ASSUMPTIONS AND VALUES

Definitions

Cultural assumptions may be understood as basic cultural conceptualizations of reality -- the self, family, society, and the universe, which affect people's behavior. Stewart (1972) defined cultural assumptions as "abstract, organized, and general concepts which pervade a person's outlook and behavior" and something that lies behind "values" which refer to "oughtness" (pp. 16-17). He claimed that in contrast to "cultural norms" (some values are called cultural norms) which are explicit and consciously used to describe and justify one's behavior as "adaptation of values to specific situations," cultural assumptions are so "fundamental to the individual's outlook" (the individual's subjective reality is built up out of internalized cultural assumptions) that "they are likely to be considered as a part of the real world and therefore remain unquestioned" (Stewart, 1972, pp. 19-20).

Condon and Yousef (1981), for example, developed twenty-five sets of cultural assumptions and value orientations, each with three variations. (See Table II.) Although diversity in assumptions and value orientations within the same culture does exist, predominance of one

orientation can be acknowledged in any given culture. Individuals do vary. But dominant regularities of mass behavior found in any given culture are describable as approximations according to the assumptions and value orientations and become more apparent by contrast with those of another culture.

Comparison of Cultural Assumptions and Values: U.S. vs. Japan

A comparison between the United States and Japan can be seen in some of the social ramifications of the basic differences in conceptualization noted in Table II. These specific differences are summarized in Table III.

Given the vast cultural differences between the United States and Japan, culture-based problems in the negotiating process could be many. If the existence of differing cultural assumptions and value orientations behind behavior is neither acknowledged nor coped with by either party, it is most likely that problems will arise in the negotiating process. In other words, problems could occur when it is assumed that since "the normal process of business negotiation is basically the same in the United States and Japan," things are done in the same way (Graham, 1981, p. 6) In fact, "parties from different cultures hold different expectations about the normal process of negotiation," which is "one of the major difficulties in any cross-cultural business negotiations" (Graham, 1981, p. 6).

TABLE II

CULTURAL ASSUMPTIONS AND VALUE ORIENTATIONS

1. All variations may exist in any one society.
2. While those orientations listed in the left-hand
   column are those often attributed to the United
   States as a culture, there is no necessary relation-
   ship among all of the values in either of the other
   two columns.
3. This outline is neither definitive nor exhaustive;
   to be applicable to specific communication between
   persons from particular cultures, further refine-
   ment would be necessary.

SELF

Individualism-interdependence
1. individualism   2. individuality   3. interdependence

Age
1. youth   2. middle years   3. old age

Sex
1. equality of sexes   2. female superior-   3. male superior-
                           ity   ity

Activity
1. doing   2. being-in-becoming   3. being

THE FAMILY

Relational orientations
1. individualistic   2. collateral   3. lineal

Authority
1. democratic   2. authority-center-   3. authoritarian
                           ed

Positional role
behavior
1. open   2. general   3. specific

Mobility
1. high mobility   2. phasic mobility   3. low mobility,
                                                   status

SOCIETY

Social reciprocity
1. independence   2. symmetrical-   3. complementary-
                           obligatory   obligatory

TABLE II
(continued)

Group membership
1. many groups,   2. balance of nos.   3. few groups,
   brief identifi-   1 and 3   prolonged iden-
   cation, sub-   tification,
   ordination of   subordination
   group to in-   of the member
   dividual   to the group

Intermediaries
1. no interme-   2. specialist   3. essential
   diaries   intermediaries   intermediaries
   (directness)   only

Formality
1. informality   2. selective form-   3. pervasive
                            ality   formality

Property
1. private   2. utilitarian   3. community

HUMAN NATURE

Rationality
1. rational   2. intuitive   3. irrational

Good and evil
1. good   2. mixture of   3. evil
                            good and evil

Happiness, pleasure
1. happiness as   2. inextricable   3. life is mostly
   goal   bond of happi-   sadness
                            ness and sad-
                            ness

Mutability
1. change, growth,   2. some change   3. unchanging
   learning

NATURE

Relationship of man and nature
1. man dominating   2. man in harmony   3. nature domi-
   nature   with nature   nating man

Ways of knowing nature
1. abstract   2. circle of   3. specific
                            induction-
                            deduction

TABLE II
(continued)

Structure of nature
1. mechanistic   2. spiritual   3. organic

Concept of time
1. future   2. present   3. past

SUPERNATURAL

Relationship of man and the supernatural
1. man as god   2. pantheism   3. man con-
                                                 trolled by
                                                 the super-
                                                 natural

Meaning of life
1. physical,   2. intellectual   3. spiritual
   material goals   goals   goals

Providence
1. good in life is   2. balance of good   3. good in life
   unlimited   and misfortune   limited

Knowledge of the cosmic order
1. order is com-   2. faith and reason   3. mysterious
   prehensible   and unknow-
                                                 able

_____

Source: Condon and Yousf, 1985, pp. 60-62.

TABLE III

COMMUNICATION AND MANAGEMENT STYLES

Theme	U.S. pattern	Japanese pattern
Basis of personal identification	primarily as an individual, and then as part of a larger group	always as part of some larger group (family, school, work, nation)
Nature of interpersonal relation	independent individuals who work together based on explicit matual agreement	interdependent relations among people who work within a context of unstated mutual expectations and obligations
	differences in age, sex, role and rank should not be emphasized outwardly	differences in age, sex, role, rank, etc. are outwardly acknowledged in interpersonal relations- such as deference shown in speech
Valued qualities in work relations	talent, experience; specialists are sought	ability to get along with others, to evoke and respond to trust; the generalist is cultivated
Promotion and mobility in work relations	based on merit; relatively high upward mobility; relatively less horizontal mobility	based on seniority and merit; relatively low upward mobility and more horizontal movement; life-long employment
Preferred interpersonal communi-	directness with persons of comparable	intermediaries essential prior

TABLE III
(continued)

cation channels	status; indirect with subordinates	to direct contact; direct and frequent contact between superiors and subordinates
Social inter-action	some degree of spontaneity, novelty is desired; repartee, "one-upmanship," must be enjoyed. Disagreements can be basis for desired social conversation and stimulation	predictability and ritualized interaction valued until very clear friendships or working relations are established. Repartee, sarcasm, "one-upmanship" can be embarrassing or threatening; disagreement in public or social settings (parties) can cause discomfort and embarrassment
Family and work loyalties	immediate family (spouse, children) relations may take precedence over work relations if in conflict; loyalty to task, issue, or professional ability may take precedence over loyalty to organization, if in conflict	loyalty to organization is very strong and may take precedence over immediate family desires (e.g., company outing vs. family vacation); loyalties to parents, benefactors, past teachers, etc., strong; school ties strong and viable; task orientation is subordinate to organizational goals, if in conflict

TABLE III
(continued)

Time orientation	present and immediate future (within months or few years); past serves as reference point for subsequent change or for nostalgia rather than as guide to action; future serves as an attraction but too uncertain for basis of much planning	past, present, and future, all viable, due to deference to age (age of organizations as well as people), interdependence, and lifetime employment. Manager is responsible for stewardship of ongoing institution.

Source: Condon, 1984, pp. 64-66.

DIFFERENCES IN PHILOSOPHIES OF NEGOTIATING

Business Relationships

A fundamental difference in the nature of business
relationships between the United States and Japan is that
where the American managerial system is characterized by
contractual relationships (legalistic and formal), the
Japanese system is characterized by more interpersonal re-
lationships. This fact has a great deal to do with a basic
difference in attitudes toward law in the two countries.
Unlike Western countries where law is a way of life, based
on "fundamental rights pertaining to the individual and to
society," in Japan people's lives are revolving, to a great
extent, around unwritten laws such as "responsibilities,
duties incumbent on both the individuals and on the
community" (Norbury and Bownas, 1974, p. 32). In short,
"the concept of personal 'duties' as opposed to individual
'rights'" is still the basis of the vertically structured
Japanese society; it assumes that "if everyone performs
his duties, there is no need for rights as such to be
exercised" (Lee, 1974, pp. 34-35). The significantly
fewer number of Japanese lawyers and judges per capita
than in any other advanced industrial country is illus-
trative of the minor role played by the legal process in

Japan, although it is due largely to a Japanese government policy. (See F.K. Upham's "Litigation in Japan," 1981, pp. 149-155.) Traditionally, conciliation is the preferred means of conflict resolution.

Contract

The difference in attitudes toward law is highlighted by different approaches toward contracts in business negotiations. That is, as often cited, "Americans try to negotiate a contract, while Japanese try to negotiate a relationship." To put it another way, traditionally the Japanese view a contract as secondary in a negotiated transaction. They assume that "problems can be solved on a case by case basis out of the framework of the relationship" in the belief that a business relationship is built on the principles of mutual trust rather than on legalistic grounds (Lee, 1974, p. 47). As a result, "legal documents are usually kept as brief and flexible as possible to accommodate the evolving relationship between the parties" (Tung, 1984, p. 45). On the other hand, the American view of a contract is that it totally binds upon the parties since its validity is upheld by the courts. Therefore, "it defines the rights and responsibilities of parties and seek to cover all possible contingencies, such as dissolution" (Tung, 1984, p. 45).

A possible explanation for this difference in the
nature of business relationships between the two can be
derived from Hall's (1977) concept of "high and low
contexts." In short, the difference between high and
low contexts lies in the degree of contexting needed in
communication. In a high-context (HC) communication most
of the information is preprogrammed in the receiver and
the setting, with only the minimal information vested in
the explicit code (verbal or written code); therefore,
meaning is mainly taken from the highly contexted situa-
tion or relationship. In contrast, a low-context (LC)
communication is one where the mass of the information
is transmitted in the explicit code so that meaning can
be as decontexted as possible in interpretation. Con-
sequently, in a HC culture the basic nature of business
relationships tends to be more interpersonal (desire to
establish warm and subjective relationships), while there
is more stress on a legalistic and formal level (stress
on formal rights and obligations) in a LC culture.
Although no culture exists exclusively at one end of the
high-low context continuum, Hall described Japan as being
a high-context culture and American culture as being to-
ward the lower end on the context scale. However, this
does not imply that American businessmen are not con-
cerned about good relationships or Japanese businessmen
do not care about litigation. These two approaches to

business are not mutually exclusive. The difference is in emphasis.

Although it has been over one hundred years since Japan adopted various Western codes, as Lee (1974) pointed out, it seems that borrowed Western legal concepts ('rights') have never really changed Japanese traditional concepts ('duties') (p. 47). One of the potential impediments in the process of negotiation between the two cultural groups could be the difference between Western rationalization based on principles and Japanese rationalization based on circumstances and relationships.

DIFFERENCES IN COMMUNICATION STYLES

A survey conducted by Rosalie L. Tung (1984, p. 74) regarding factors responsible for the failure of U.S. and Japanese business negotiations showed that "communication breakdown" was perceived by 69 percent of the respondent firms (114 American firms in both Japan and the United States) as being responsible for the failure of business negotiations. Although the factor of "product characteristics," which includes two items "Japanese did not need products/services" (83 percent) and "too many competitors all offering same products/services" (73 percent), was perceived by U.S. firms as contributing more to the failure of business negotiations, "communication breakdown" was the most frequently mentioned item among those

pertaining to the factor "cultural differences." This item was followed by such items as "differences in business practices" (59 percent) and "differences in negotiation styles" (58 percent). (See Table IV and also Table V.)

The Language Barrier and Its Implications

Given the fact that interpreters are usually used in negotiations between the two cultural groups, it may be said that communication problems cannot be attributed to the language barrier. Yet, in fact, the barrier is considerable and many of the concepts are often deeply culture-bound and not easily translatable into another language. In other words, semantic miscommunication is an almost inevitable factor contributing to the difficulty of any cross-cultural communication. Tsurumi (1981b) pointed out three typical areas of semantic communication between Japanese and American negotiators:

> First, the implied meaning of the Japanese phrase which is translated as "in principle" (gensoku to shite) is the opposite of the English meaning. If your Japanese negotiators agree to a certain point "in principle" that is tantamount to their declaring that they will abide by it 90 percent of the time (the remaining 10 percent being subject to acts of God). I have seen situations in which American negotiators nearly blew an entire deal merely because of their mental block against the Japanese use of the phrase "in principle." Second, the same holds true for the Japanese interpretation of "gentleman's agreement." In a society in which one's trustworthiness (gentlemanliness) carried high social and economic value, a gentleman's agreement –

TABLE IV

FACTORS RESPONSIBLE FOR THE FAILURE OF BUSINESS
NEGOTIATIONS

	"To Some Extent" to "To a Very Great Extent" (%)	"Not relevant" to "To a Little Extent (%)
Cultural Differences		
Difference in social customs	44	33
Communication breakdown	69	19
Insurmountable cultural differences	21	44
Differences in negotiation styles	58	20
Differences in business practices	59	17
Insincerity on part of Japanese	42	30
Product Characteristics		
Japanese did not need products/services	83	9
Too many competitors all offering same products/services	73	13

Figures indicate the percentage of firms in the total sample
that perceive the extent to which the respective items were
responsible for failure.

Source: Tung, 1984, p. 74.

TABLE V

FACTORS RESPONSIBLE FOR THE SUCCESS OF BUSINESS
NEGOTIATIONS

	Very Important (%)	Important (%)	Moderately Important (%)	Total (%)
Attitude of U.S. firm				
Preparedness on part of U.S. team	67	23	5	95
Patience on part of U.S. team	59	30	8	97
U.S. team's sincerity, good faith, honesty	59	28	10	97
Cultural awareness				
Familiarity with Japanese business practices	31	38	26	95
Familiarity with Japanese customs	22	31	33	86
Uniqueness of Japanese product/service	13	28	38	79
Attitude of Japanese firm				
Japanese team's sincerity, good faith, honesty	56	27	15	98
Product characteristics				
Uniqueness of U.S. product/service	40	37	16	93

TABLE V
(continued)

Personal relation- ships				
Personal ties built- up over the years	33	38	18	89
Technical expertise				
Technical expertise provided by U.S. firm in the past	29	39	19	87

Figures indicate the percentage of firms in the total sample that perceive the extent to which the respective items were important to success.

Source: Tung, 1984, p. 73.

especially on which is witnessed by a respected
third party - is, again, almost unbreakable.
Third, Japanese have a tendency to say "<u>hai</u>,
<u>hai</u>, (yes, yes), or the equivalent of "I under-
stand," or even "I agree," while they are
listening to you. These phrases merely mean
that they are listening to you and that they
understand your positions.(p. 309)

More importantly, the serious implication of the

language barrier is that in terms of the Sapir-Whorf

hypothesis[1] the considerable language barrier itself can

be a manifestation of the formidable perceptual and cog-

nitive differences between the two. Many communication

problems seem to stem largely from the two different ways

of culturally programmed mental and thought processes

behind the words and concepts that may apparently seem to

be understood by both parties. Thought processes here refer

to forms of reasoning influenced by cultural assumptions and

value orientations. A simple comparison between Western and

Eastern patterns of thoughts would be Aristotelian modes of

reasoning following the logical procedures -- inductive and

deductive reasoning (linear) versus intuitional and experi-

ential reasoning characterized by Taoism such as Yang and

Ying which emphasizes the organic harmony between the

whole and its parts (circular). The components of commu-

[1]
    The Sapir-Whorf hypothesis (1956) proposed that the
forms of our thoughts are to a great extent unconsciously
built up on the language system we have learned; thus,
our language system predisposes us to think certain
thoughts and perceive certain realities.

nication style are considered as reflections of all those
cultural factors, rather than just personal mannerisms.
In other words, as Barnlund (1975) said, "all communi-
cation behavior derives from a dominant interpersonal
orientation" in a given culture, which its members
should be predisposed to assimilate as an absolute neces-
sity for survival as well as a prerequisite to effective-
ness in human interaction in the community (p. 118).

Japanese and American Communication Styles

In his Public and Private Self in Japan and the United
States Barnlund (1975) postulated a basic difference in in-
terpersonal accessibility between Japanese and Americans
and investigated its consequences in their communication
behavior. He hypothesized that a critical difference
between Japanese and American communication styles lies in
a difference in the degree of disclosure of the public and
private self in everyday encounters. That is, Japanese
would prefer a communicative style in which the self made
accessible to others (the public self) is relatively small,
while the proportion not disclosed (the private self) is
relatively large. The opposite would hold true for
Americans. Hence, if this postulate is true, it is pre-
dicted that Japanese should prefer to avoid further ex-
posure of their inner feelings and thoughts, thereby re-
ducing the scope of verbal disclosure and the intensity

of personal involvement and adopting a passive defense
approach (e.g., silence, withholding contradictory opin-
ions) in threatening interpersonal situations. Americans,
in contrast, should desire to express and share a larger
proportion of their inner experience, and therefore pre-
fer more spontaneous form of communication, cultivate
both verbal and nonverbal expressiveness, and favor more
aggressive solutions to threatening encounters. Those
predictions were later supported by examination of a
"Role Description Checklist," where subjects were asked
to read the entire list of thirty adjectives and then
select the five words that "best describe what Americans
are like in talking to each other" and "best describe
what Japanese are like in talking to each other." (The
subjects consisted of a total of one hundred and twenty-
two Japanese college students and total of forty-two
American college students enrolled in classes in Japan.)
Stereotypical as they may be, the Japanese described
themselves and were described (in nearly complete agree-
ment in the relative ordering of the terms between the
two sets of respondents) as "reserved," "formal,"
"silent," "cautious," and "evasive." By the same token,
Americans described themselves and were described as
"self-assertive," "frank," "spontaneous," "informal,"
and "talkative."

Barnlund (1975) notes that those cultural character-
istics are not merely different attributes, but consti-
tute "the polar extremes along a single set of attri-
butes" (p. 55). That is, "the qualities that one
society nurtures -- reserve, formality, and silence in
one case, and self-assertion, informality, and talkative-
ness in the other -- are the same qualities the other
society discourages" (p. 57). As Barnlund (1975) says,
it may be that "most human tendencies are present, in at
least latent form, in all peoples .... differences between
cultures are matters of degree and relative frequency,
not differences of kind" (p. 65). Yet the attribution of
meaning certainly varies from one culture to another.
Furthermore, it is also important to note that "agree-
ment on a cultural profile" (suggestions) should not be
confused with "the validity of that same profile" (truth)
(Barnlund, 1975, p. 65). In other words, those cultural
attributes are presented not as "static, 'either-or' des-
criptions of all Japanese or all American," but as "orien-
tations which members of both cultures may fight against,
strive for and certainly out of which they grow and change"
(Ramsey and Birk, 1983, p. 239 -- see Table VI and also
Table VII).

Again, these cultural generalizations are not intended
to stereotype the characteristics of the two cultural groups.
The real purpose of cultural contrast, which will be dis-

TABLE VI

COMPARISON OF COMMUNICATION STYLES: USA VS. JAPAN

	U.S.A.	JAPAN
1. Orientation to Interaction:	SELF: Individualistic REALTIY: Objective	Interpersonal Subjective
2. Code Preference:	Verbal (and nonverbal)	Nonverbal (and verbal)
3. Interaction Format:	Persuasive Quantitative Pragmatic	Harmonizing Holistic Process Oriented

Source: Ramsey and Birk, 1983, p. 240.

TABLE VII

COMMUNICATION AND MANAGEMENT STYLES

Theme	U.S. pattern	Japanese pattern
Communication style	explicit, verbal presentation of information, requests, instruction, etc.	implicit, nonverbal (through observation of others and of the situation) and some verbal presentation
	vagueness and ambiguity in communication irritating	vagueness and ambiguity may be positive in giving latitude in interpreting situation and in avoiding conflicts
	emphasis is on expressive forms - speaking and to a lesser extent writing; speech style associated with leadership qualities	emphasis is on perception, receptiveness, observation skills; listening and reading and writing skills valued over public speaking ability
	meaning always close to surface of words "Say what do you mean, and mean what you say"	meanings often reside in the situation or context, or are to be read "between the lines" or in what is not said.
Conflict and confrontation	regarded as inevitable though not necessarily desirable; problems should be dealt with directly and frankly	conflicts and confrontations are to be avoided if at all possible; harmony in interpersonal relations a primary goal; conflicts may be dealt with indirectly

TABLE VII
(continued)

		through an inter-mediary, or inform-ally in "after hours" socializing agreement manage-ment is important, to prevent problems from occurring; good manager is aware of problem before it is openly presented
	conflict management important to deal with issues as they arise	
Decision-making	top down; relatively fast; where necessary, decision by vote; con-sensus, though desira-able, is not expected and sought.	upward (from middle or bottom of organi-zation), relatively slow; consensus through lengthy dis-cussion, informal as well as formal, is expected and sought.

Source: Condon, 1984, pp. 64-65.

cussed in detail later, lies in overcoming our natural cul-
tural blindness, in other words, in gaining a better under-
standing of where we came from and where they came from that
aids us in recognizing (and diagnosing) communication prob-
lems before/when they arise. Any generalization allows for
a countless number of variations and exceptions.

Nevertheless, there seems to be an almost complete con-
sensus on the basic cultural profiles of the Japanese in
contrast to those of Americans (as seen in Tables III, VI,
and VII) between professionals in two fields; specialists
in the field of intercultural communication (e.g., Barnlund
1975; Condon and Yousef 1981; Ramsey and Birk 1983) and
authors of "doing-business-with-the-Japanese" books (e.g.,
Glazer 1968; Van Zandt 1970; Norbury and Bownas (eds.) 1974;
Richardson and Ueda (eds.) 1981; Graham and Sano 1984;
Tung 1984; Zimmerman 1985) or those of Japanese management
(e.g. Ouchi 1982; Pascale and Athos 1982; Lee and Schwendi-
man (eds.) 1982). Many prescriptive works specifically echo
Japanese cultural inclination toward reluctance to say "no,"
ambiguous responses, subtle power plays, self-contained non
-verbal behavior (e.g., long periods of silence, fewer
negative facial expressions) and so forth as contributing
factors to communication difficulties for American.[2]

[2]
However, Pascale and Athos (1982) provide a perspec-
tive on the effectiveness of ambiguity, uncertainty, and
imperfection in communication, which coincides with some
of the negotiation tactics advocated by many negotiators
(e.g., Nierenberg, 1971; Ikle, 1985).

Japanese Mentality: The Concept of "Amae"

Definition   One useful way of understanding many of
the aforementioned Japanese characteristics would be to
examine the concept amae.   Doi (1973a) singles out the
Japanese term amae as "a key concept for understanding not
only the psychological makeup of the individual Japanese but
of the structure of Japanese society as a whole" (p. 28).
Although there is no exact English equivalent of the word
amae or amaeru (the verb; amae is its noun form), amaeru can
be translated to mean to "depend and presume upon another's
love" (Doi, 1982, p. 218).   Originally the term amae re-
fers to the psychology of the infant in its relationship
to its mother, a sense of oneness between mother and child,
the unwillingness to be separated from one's environment.
The world of amae, where subject and object merge, enfolds
everything, the good and the bad alike in a nondiscrimina-
tory fashion.   It is warm and the world of filial piety to
the insider, but when viewed from the outside it is illo-
gical, exclusivist, private, and even egocentric (Doi,
1973a, pp. 76-79).

At the conscious level, the word amae, associated with
infantile mentality, does evoke negative connotations in
the minds of the Japanese; children (and even adults) are
often told not to amaeru too much.   However, Doi's concep-
tion of amae goes beyond the simply negative nuances of
the everyday usage of the word.   Far more than they are

aware, the amae mentality of the Japanese is so ingrained in their psyches that amae has become an almost underlying premise that is unconsciously operating (both positively and negatively) in the Japanese mode of interpersonal communication. For this reason, it would seem that Japanese interpersonal communication tends to rely heavily upon nonverbal means. "The psychological prototype of amae lies in the psychology of the infant in its relationship to its mother" (Doi, 1973a, p. 74). Implied by it is the psychology of the "nonverbal" baby (the amae-receiver) who expects the mother (the amae-giver) to be always sensitive enough to read its mind and respond to its needs and expectations with care. A good (sensitive) communicator in the Japanese sense thus has a great deal to do with the ability to perform this amae-giver's role; the ideal amae communication is the one where both parties constantly feel each other out to assure mutuality (another person's good will) by fulfilling simultaneously the role of both amae-giver and amae-receiver. This form of communication is often referred to as "haragei" (hara-[gut]-gei-[art]), which is interpreted to mean gut communication or "the art of guessing inner thoughts by nonverbal means" (Ramsaey and Birk, 1983, p. 246). It is regarded as the highest level of communication skill one can reach in Japan. Traditionally the Japanese have held verbali-

zation in very low esteem, whereas they have always held

reticence or taciturnity in very high esteem.   Many

Japanese proverbs are suggestive of the Japanese distrust

of words. (See Ramsey and Birk 1983, p. 245.) As such,

within Japanese communication, silence is more an acceptable

and positive form with longer duration and more frequency

than its American counterpart. Consequently in negotiation

situations "a major difference between a U.S. and a Japanese

negotiating team is the amount of time the Americans speak

and the observance of long silence on the part of the

Japanese" (Tung, 1984, p. 167). A similar observation is

also provided by Graham (1981) and Zimmerman (1985) about

the Americans' responses to (intolerance for) Japanese

silence: either they make quite unnecessary concessions,

or they do most of the talking, ending up with little

understanding of the Japanese point of view.[3]   Although

Japanese employment of silence may be a result of their

inclination to adopt, in Barnlund's (1975) words, "passive-

withdrawing defense to threats" as opposed to American

"active-aggressive form of defense" against an unreasonable

proposal or an unjustified attack, silence may be a simple

---

[3]
Ramsey and Birk (1983) also express a similar viewpoint
on silence. "...non-Japanese must learn to become more com-
fortable in situations of silence and refrain from filling
in the space with questions or small talk. It is also im-
perative to train oneself to be able to wait as long as a
minute, after inquiring about understanding or asking for a
suggestion, before assuming that no response will be forth-
coming" (p. 246).

reflection of their cultural speech mannerism to which
Americans are not accustomed.

Other-Directedness As has been seen, Japanese
sensitivity, at the core of which the amae mentality lies,
is closely related to their other-directed orientation and
their inability (or unwillingness) to divorce themselves from
the object (lack of objectivity). Other-directedness refers
to an inclination to "respond with great sensitivity to the
expectations and preferences of others" (Takeuchi, 1984, p.
56). On the negative side, the other-directed person is,
therefore, disposed to say what others want to hear rather
than what he/she wants to say. Inability to depersonalize
objects (or words) from the individual certainly prevents any
candid discussion from taking place. Doi (1973b) calls the
Japanese psychological mechanism of interpersonal orienta-
tion "the Japanese 2-fold structure of consciousness";
omote (face) and ura (mind). Literally they refer to the
fore and back sides of things. Omote means "the patterns
one would show to others; ura, "those private and intimate
thoughts which generally are not to be shown to others"
(p. 258). They are connected to probably more familiar
concepts tatemae (form) and honne (substance) respectively.
In an universal sense, they are related to Barnlund's (1975)
concepts of the public and private self discussed earlier,
and they are certainly not exclusively Japanese traits, as
Doe says. However, the reasons why the Japanese need to

make much of the distinction between omote and ura are,
first of all, according to Doi (1973b), related to psycho-
logy amae, which is also basically an universal trait, yet
particularly prevails in Japanese society with its speci-
fic connotation, "a longing to merge with others" (p. 259).
Thus, Doi (1973b) explains: "Omote or tatemae is a token
that the mutuality of members of groups is preserved,
while ura or honne which acknowledges the inevitable frus-
trations in amae is given free rein as long as it does not
dispute the former. This is surely a very ingenious way of
handling ambivalent feelings" (p. 259). Another possible
explanation for "the Japanese 2-fold structure of conscious-
ness" would be that the distrust of words (verbalization)
coupled with the value placed on interpersonal harmony
has somehow confined the function of the verbal communica-
tion more on a ritualized and superficial level; conse-
quently, Japanese are practically urged to allocate each
of the operations of verbal and nonverbal means for a
different purpose; verbal communication for omote (face)
or tatemae (form) and a more sought and necessitated non-
verbal form of communication (e.g., haragei) for ura
(mind) or honne (substance). Again, mastery of the mecha-
nism of omote and ura is, by and large, the basic nature
of the socialization process in almost every human society.
Yet a society like Japan where the harmonious integration
of group is foremost seems to encourage this trait further

as the necessary coping skills entailed by the social re-
lationships.

Social Implications In Doi's (1982) words, "in Japan
parental dependency is fostered and its behavioral patterns
institutionalized into social structure" (p. 218). For
instance, the peculiar relationship between employer and
employee in Japan seems to bear some analogy with an
alternative form of a parent-child relationship -- the
relationship between an adoptive parent and an adoptive
child. Unlike the American recruitment practices where
people with practical work experience are taken on as the
need arises, many Japanese companies (major firms in
particular) recruit once a year only young rookies with no
experience but high potential for a generalist position,
just as many prospective adopted parents prefer to adopt
newborn babies rather than adopt older children who have
already been processed to some extent. Japanese companies
aim at developing emotional ties (trust, commitment) with
the employees by nurturing them in the long-running working
relationships (e.g. investment in training employees along
with career circulation within an organization, participa-
tory decision-making, concern for the social and emotional
needs of the employees such as company outings for the
employees and their families, financal assistance for the
purchase of construction of employees' homes, etc.). The
employees who are indulged in such an amae treat, in turn,

are obliged to repay the amae by their complete loyalty to
the organization, which is the kind of amae the employer
expects from his employees.

As such, Japanese experience frustration with an "in-
sensitive" person who does not appreciate amae (or obliga-
tory relationships) as much as Americans get frustrated
and even furious with an "insensitive" person who in one
way or other threatens their independence or individual
rights or freedoms. (As Doi says, the Western concept of
freedom depends on a rejection of amae as opposed to the
Japanese concept of freedom which means a permission for
amae.)

Implications for Negotiation

As mentioned earlier, predictions from Barnlund's
(1975) notion of "public and private self" about a basic
difference in interpersonal accessibility between Japanese
and Americans are consistent with the observations of many
authors on Japanese business and negotiation as well as
with his own survey. Barnlund (1975) postulated that the
Japanese would prefer a communication style in which "the
public self" (the self accessible to others) is relative-
ly small, while "the private self" (the proportion not dis-
closed) is relatively large. The opposite would be true
of Americans. One of the difficulties facing American
negotiators communicating with the Japanese is the Japan-
ese concept of tatemae (form) and honne (substance), which

is closely related to the Barnlund's concept of "public and
private self." The Japanese "public self" tends to take
the form of <u>tatemae</u> and their <u>honne</u> is more likely to be
confined in "the private self." To take an example:

> ...Regarding the ambiguous responses of
> Japanese, the laboratory results indicate that
> informative and credible bargaining strategies
> of opponents have no effects on negotiation out-
> comes between Japanese. Apparently the Japanese
> negotiator follows the cultural double standard
> of <u>tatemae</u> and <u>honne</u>. <u>Tatemae</u> can be trans-
> lated as "truthful," and <u>honne</u> as "true mind."
> It is important for Japanese to be polite and
> to communicate the <u>tatemae</u> while reserving the
> possibly offending, but also informative <u>honne</u>...
> Japanese often describe Americans as honest and
> frank, but to the point of discomfort for Japan-
> ese. Finally, eye contact is much less fre-
> quent during Japanese negotiations, thus limit-
> ing leakage of potentially offending feelings
> and keeping intact the <u>honne</u>. To the American
> point of view the distinction between <u>tatemae</u>
> and <u>honne</u> seems hypocritical indeed. However,
> the <u>discrepancy</u> is borne by Japanese in good
> conscience. (Graham, 1981, p. 7 -- also see Table I)

Doi (1973b) calls this so-called cultural double stan-
dard "the Japanese 2-fold structure of consciousness" (p.
258). The value of maintaining harmoneous interpersonal re-
lationships may be a major contributing factor for that. But
it would also seem that a culprit of the Japanese heavy em-
phasis on communicating the <u>tatemae</u> as a face-saving device
is their inability to depersonalize objects (e.g., criti-
cism) from the individual. It is, again, rooted in the
<u>amae</u> mentality, where subject and object merge, a sense
of oneness between mother and child, and the unwilling-
ness to be separated from one's environment. Conversely,

Americans' directness and confrontiveness in communication stem largely from their ability to impersonalize a part of the person from his/her whole personality. Although face-saving is important in any culture, as Tung (1984) says, "the difference is in the level of sensitivity and the ability to cope with it" (p. 143). In general, Japanese are more sensitive in this area and are less capable of coping with affronts than Americans. Hence, Tung (1984) suggests that "in negotiation the Americans should never back the Japanese partner into a corner but should always give the other side sufficient room to maneuver and change positions without a loss of face" (p. 60).

DIFFERENCES IN DECISION-MAKING PROCESSES

Conception of Decision-Making

Peter F. Drucker (1974) pointed out that a critical difference between Japanese and American decision-making is the difference between the emphasis on "defining the question" and the emphasis on "giving an answer":

> In the West, all the emphasis is on the answer to the question. Indeed, our books on decision-making try to develop systematic approaches to giving an answer. To the Japanese, however, the important element in decision-making is defining the question. The important and crucial steps are to decide whether there is a need for a decision and what the decision is about. And it is in this step that the Japanese aim at attain-

> ing consensus. Indeed, it is the step that,
> to the Japanese, is the essence of the de-
> cision. The answer to the question (what
> the West consider the decision) follows
> from its definition. (p. 467)

To take a specific example of this holistic Japanese

approach to decision-making:

> I once watched a Japanese company work
> through a proposal for a joint venture re-
> ceived from a well-known American company,
> with whom the Japanese had done business for
> many years. The Orientals did not even dis-
> cuss the joint venture at the outset. They
> started out with the question "Do we have to
> change the basic direction of our business?"
> As a result, a consensus emerged that change
> was desirable; management decided to go out
> of a number of old businesses and start in a
> number of new technologies and markets; the
> joint venture was to be one element of a
> major new strategy. (Drucker, 1974, p. 469)

The key to this Japanese approach is that the whole process

is focused on "finding out what the decision is really

about, not what the decision should be," as a result,

"the focus is on alternatives rather than on the 'right

solution'" (pp. 469-470). Interestingly enough, this

seems to be a complete account of Barnlund's (1975) re-

mark that "if an American cannot understand why he gets

such puzzling answers to such simple questions, the

Japanese cannot understand how anyone can give such simple

answers to such puzzling questions" (p. 134).

The Locus of Decision-Making Authority

If the first managerial skill in the West is the

making of effective decisions as the issuer of edicts (the

top-down style of decision-making), the most crucial mana-
gerial skill in Japan is coordination skills as the facilita-
tor of decision-making (the bottom-up style of decision-
making). In other words, where the Western decision-making
process largely revolves around the responsibility of a
specific decision-maker (mainly senior management), the
decision-making process in Japan is normally based on build-
ing a consensus by "maximum consultation" (Nakane, 1970,
p. 145) among the individuals who will be involved in the
execution. (The other side of the coin is that in this way
the system protects a particular individual from "losing
face.") As a result, what is arrived at is "a consensus
for execution," not "a decision 'on command'" (Ballon,
1974, pp. 106-107). Consequently, the process eliminates
selling a decision. The point West calls a decision is
already the commencement of the execution in the Japanese
system. Predecision delay of the Japanese decision-making
is, thus, offset by swift implementation after the decision,
whereas the reverse time allocation is typical of the
American system.

Communitarian Sentiment in The Japanese Decision-Making Process

Tsurumi (1981a) explains how the process of building
a consensus operates in Japanese firms as follows:

> The commitment of individual employees to
> the widely accepted goals of their firm has
> produced an often mentioned decision-making

> system in Japanese firms that is called
> <u>ringi seido</u>. Observers of this decision-
> making process will note that new proposals
> --marketing or investment decision, for
> example--are often initiated at the lower or
> middle echelons of the firm. These proposals
> are passed along through the hierarchy, col-
> lecting seals of approval or undergoing minor
> revisions, on their way up to the president.
> The initiators or collaborating parties of
> such proposals are busily engaged on an in-
> formal basis in pinpointing key personalities
> whose support is needed. Some proposals fade
> away or die on their journey to the top
> echelon. But those proposals that do survive
> cannot be attributed solely to their initia-
> tor(s). By the time a proposal is accepted
> by the top management, there will be a cor-
> porate consensus concerning its feasibility.
> (pp. 9-10)

The advantage of this seemingly inefficient Japanese de-

cision-making process is that it almost guarantees the

commitment of the individuals involved to action and re-

sults. Drucker (1974) calls such a Japanese decision-

making process as participation in "decision-thinking" (or

genuine participation in responsibility), not participa-

tion in decision-making (p. 258). Nakane (1970), on the

other hand, terms it as a kind of "communitarian senti-

ment, with as major premise, a high degree of cohesion

and consensus with the group" (p. 147). That is, the under-

current of feeling is that "after all we are in the same

boat, and we should live peacefully without leaving any-

one behind as a stranger." And she thinks that in Japan

this sort of sentiment has made it possible for authori-

tarian power to be exercised in the name of 'democracy,'

which in the Japanese sense is identified with consensus decision-making on the basis of maximum consultation, not of a truly democratic discussion. (The reason why it is extremely difficult for the Japanese to engage in a truly democratic discussion is attributable to their vertical interpersonal relationships, which will be discussed in the following section.) A consensus in Japan, thus, means acceptance rather than agreement. The power-exercise of a Japanese leader is much restricted by and heavily relies on his subordinates' acceptance.

The Japanese organization, in fact, is more autocratic than its American counterpart in the sense that interpersonal relationships are built along hierarchical orientation that characterizes the structure of Japanese society itself. Yet the power relationship between superior and subordinate is counterbalanced by "informal contacts which give the subordinate men a feeling of being 'in the same boat'," namely, "emotional security" (amae), which is "the foremost requirement for a Japanese engaged in co-operative work" (Nakane, p. 80, p. 147). It is the essence of a vertical relationship known as oyabun-kobun (leader-follower) relationship in Japan. it seems to be the reason why "authority from the top is always matched by responsibility from the bottom up," which Drucker (1974) defined as the real meaning of "consensus decision," despite many contradictions involved in the Japanese decision-making process and group dynamics.

Implications for Negotiation

Concensus-building practices in the Japanese decision-
making process can cause irritation to Americans. First,
the process of building a consensus is time-consuming.
American negotiators often complain of the length of time
it takes their Japanese counterparts to reach decisions.
It might make Americans wonder whether a decision was
made at all or who holds power in Japanese companies.
Second, building a consensus among those who will be
affected by a decision means that Japanese negotiators have
to carefully build a foundation of support from everyone in-
volved. Consequently, Japanese representatives "review and
re-review the facts" (Zimmerman, 1985, p. 122) and "ask end-
less questions" during information exchange (Graham, 1981,
p. 7 -- see Table I).   Pascale and Athos (1982) note that
"frequently, we hear stories of perplexed American firms re-
ceiving and briefing a delegation from their Japanese busi-
ness partner only to receive a follow-up delegation two
weeks later which requires the same briefing" (p. 175).
(All of this seems to be indicative of "defining the ques-
tion" (Drucker, 1974) discussed earlier, too.) Furthermore,
building acceptance is usually undertaken informally be-
fore the formal ringi seido begins to maintain harmony in
the actual meeting. Such informal communication is called
nemawashi (preliminary groundwrok) in Japanese. Hence,

Graham (1981) comments: "for Japanese the negotiation is more a ritual, with actions predetermined and outcomes prespecified by status relation" (p. 8).

A possible explanation for this Japanese inclination toward nemawashi and to spend much time trying to understand the situation and associated details of one another's bargaining position is that it is not only because Japanese place more value on maintaining harmoneous relationships than on being frank and open, but also in terms of Hall's (1977) concept of "high and low contexts" because they feel uncomfortable without any firm context to belong to (high-context culture). They, in turn, seem to let the context they have programmed pass through a decision-making process.

Another potential problem area in the decision making would be a difference in a Japanese "holistic" approach versus an American "quantitative" approach (Ramsay and Birk, 1983 -- see Table VI). Americans' needs to quantify an object in numbers and percentages, not just perceiving it in "feelings," again, have to do with their preference for fragmentization of an object rather than dealing with it as a whole. For example, such an decision-making system as "breaking down the decision into component parts and assessing risk at each stage of the project" is a familiar technique to many American managers, Zimmerman (1985) says in retrospect, "the Japanese

executive had a great deal of trouble understanding the
whole concept...mainly because the decision-making system
...was so alien to their own corporate situation and ex-
perience" (p. 121). Consequently, the difference tends
to manifest itself in the negotiation situation as follows:

> Regarding the fourth and final stage of
> business negotiations, Americans tend to
> make concessions throughout, settling one
> issue, then proceeding to the next. Thus,
> the final agreement is a sum of the several
> concessions, and progress can be measured
> easily. The Japanese tend to make conces-
> sions at the end of the negotiation and
> agreements are concluded rather abruptly
> from the American point of view.(Graham,
> 1981, p. 7)

DIFFERENCES IN SITUATIONAL CONSTRAINTS AND STATUS RELATIONSHIPS

Situational Constraints, the Role of the Negotiator

Graham's (1981, 1983) studies of cross-cultural
business negotiations examined the impact of a situational
constraint, the role of the negotiator (buyer and seller)
on individual profit levels. In his samples of three
cultural groups -- Brazilians, Japanese and Americans,
buyers in general did better than sellers in the simulated
business negotiations. Yet, the role of a player was the
key variable only in negotiations amongst Japanese, where
buyers consistently achieved higher profit solutions than
sellers. In American and Brazilian samples the relations
between role and individual profit levels lacked statis-
tical significance. When Americans are negotiating with

other Americans, a representational (problem-solving oriented) bargaining strategy was the most important variable. But in negotiations amongst only Japanese, the representational bargaining strategy had no influence on the player's performances. "For Japanese, the negotiation is more a ritual (tatemae and amae are foremost), with actions predetermined and outcomes prespecified by status relations (minds are changed 'behind the scenes')" (Graham, 1981, p. 8). Further, the degree to which Japanese bargaining behaviors are constrained by status relations was observed by Graham (1981) through videotaped business interactions: "Japanese, like Americans, do use aggressive persuasive tactics. However, in Japanese negotiations, threats, warnings and like tend to be used only by the buyer and in the later stages of the negotiations (when all else fails)" (p. 8).

Status Relationships: Horizontal vs. Vertical

The horizontal relationship between American buyer and seller as opposed to the vertical relationship between Japanese buyer and seller is, in fact, one of the most interesting (and impressive) cultural differences the author (a native Japanese) has perceived in her everyday experience in the United States. However, this difference in interpersonal relationships is not, of course, con-

fined to commercial aspects of the both societies; rather
it is a manifestation of the fundamental differences in
social relationships between the two cultures. American
culture attaches high value to equality in social rela-
tionships. Although ironically the emphasis on the "value
of individualism and freedom" sometimes creates problems
of "inequality and discrimination in social relationships
with persons of different racial and ethnic groups" (as
a result of "the freedom to decide who to relate with,
what groups to join, and how to conduct social relation-
ships"), yet the basic interpersonal equality is espoused
as the cultural premise (Samovar et al., 1981, pp. 78-79).
Even when different hierarchical levels exist between two
persons their interactions tend to be conducted in such
a way as to establish equality. By contrast, in Japanese
society the basic social relationships are formed by
"multiplication of a vertical relation between two in-
dividuals" (Nakane, 1970, p. 44). The bases for vertical
relationships are age, sex, rank (in and of an organiza-
tion), roles and so on. (It should be noted that the
vertical relation in Japan is not based on the inherited
class stratification as seen in England or India.) The
codes (both verbal and nonverbal) that differentiate
appropriate situational behavior for Japanese are much
more complex and delicate than their American counter-
parts. The Japanese language cannot be spoken appropriate-

ly without status and age considerations, which determine "the degree of honorific content and politeness."[4] Even a one-year age difference between two persons requires the younger (thus the lower in the status position) to use a certain amount of honorifics towards the older unless they are very close friends. Thus, the Japanese language and the consciousness of status are interlocked with one another. The Japanese language, as a product of the value of status difference, seems to be functioning as the biggest reinforcer of the ranking consciousness in Japanese society.

Nakane (1970) claims the "the consciousness of rank," namely, "the lack of a discipline for relationships between equals," has prevented the Japanese from developing a logical procedure of the basic steps of reasoning (pp. 34-35). Open expression of opinions is curbed by ranking order. A bold negative expression is rarely employed by a junior for fear of hurting the feelings of a superior or even for fear of being cast out from the group. Freedom to speak out in a group is, thus, determined by a man's place in it; self-expression has to be sought within the framework of the group. As a result,

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[4] Status differences not only determine correct prefixes and suffixes to be used but differentiate an appropriate word to be used from many synonyms. For instance, there are more than ten status-related synonyms in Japanese that correspond to the first personal pronoun "I" in English.

in negotiation situations "the chief negotiator on the Japanese team would do most of the talking; the others are generally silent observers.... while Americans tend to give the floor to whoever the expert is" (Tung, 1984, p. 167). This view is shared by Barnlund (1975) saying that "the lack of complicating status considerations may ease communication, make for greater approachability with strangers, and encourage greater consistency in verbal, nonverbal, and defensive messages" (p. 164).

Implications for Negotiation

Hence, given the horizontal relationship between American negotiators and the vertical relationship between Japanese negotiators, what would happen in negotiations between the two cultural groups? Here is Graham's (1981) postulate: "A Japanese seller and an American buyer will get along fine, while the American seller and the Japanese buyer will have great problems (p. 9). That is, the Japanese seller coming to the U.S. to market his products "naturally assumes the lower status position and acts accordingly" (he adjusts his business and negotiation practices to fit the American system), and a sale is made. On the other hand, "the American seller expects to be treated as an equal and acts accordingly; the Japanese buyer is likely to view this rather brash behavior in a lower status seller as inappropriate and lacking in respect." Consequently, a

sale is much less likely.

CONCLUDING REMARKS

Factors for success or failure of U.S. and Japanese business negotiations are numerous (see Tables IV   and V).   Economic considerations must be a foremost motivation to agree on a joint participation. However, cultural understanding could lead to an increased ability to accommodate nehavior necessary for successful business negotiations. From this point of view this chapter attempted to demonstrate the degree to which cultural (unconscious) factors condition negotiating behavior in five areas: cultural assumptions and values; philosophies of negotiating; communication styles; decision-making processes; and situational constraints and status relationships. In the following chapter we will discuss some of the intercultural communication principles that provide a theoretical framework for a better understanding of such unconscious, cultural factors.

CHAPTER IV

INTERCULTURAL COMMUNICATION PRINCIPLES

INTRODUCTION

Major purposes of the literature review on the con-
cepts of intercultural communication principles in this
chapter are based on the following assumptions on nego-
tiation:

<u>negotiation</u>: 1) all negotiations (all human inter-
    actions) are interculturally loaded;

2) negotiation is a process of cul-
    tural synergy between two or more
    differing entities.

This chapter, therefore, is intended to provide a
theoretical framework that helps understand and address
culture-biased communication problems in business nego-
tiation, thereby lending some insight into the applicabi-
lity and usefulness of intercultural communication per-
spective in enhancing negotiating skills. The research
question (#3) to be asked in this chapter is: What are
some relevant intercultural communication principles, and
what is the applicability and usefulness of an inter-
cultural perspective in enhancing negotiating skills?

DEFINITIONS

Culture

definitions: 1) the deposit of knowledge, experiences, beliefs, values, attitudes, meanings, hierarchies, religion, timing, roles, spatial relations, concepts of the universe, and material objects and possessions acquired by a large group of people in the course of generations through individual and group striving (Samovar et al., 1981, p. 24.).

2) objective and subjective culture objective culture: either artifacts and technologies that produced them (potsherds, tools, habitations, transports, paintings, and so on) or observable human activities (norms of behavior generally, interpersonal roles, child-rearing practices, institutional structures, etc.)

subjective culture: human cognitive processes, either non-linguistic (perceptual styles, motivational patterns, and skills) or linguistic (meanings, beliefs, and the linguistic structures which express them) (Osgood et al., 1975, p. 335).

3) culture 1, the recurring patterns which characterize a community as a homeostatic system, and culture 2, people's standard for perceiving, judging, and acting. Culture 1, moreover, is an artifact or product of the human use of culture 2... individuals can be said to possess culture 2 but not culture 1, which is the property of a community as a social-ecological system (Goodenough, 1961, p. 522).

functions: 1) the provider of the skills, knowledge, customs, traditions, material objects, and social organization that make living in groups impossible;

      2) the medium through which a society survives
      and perpetuates itself by the survival, re-
      production, and training of the individuals
      who comprise the society; and

      3) the basis of the structure, stability, and
      security that both individuals and a so-
      ciety must possess if they are to maintain
      themselves (Samovar et al., 1981, p. 26).

the nature: dynamic (processual), persistent, enduring,
      omnipresent, and riddled with contradictions
      and extremes (Samovar et al., 1981, p. 18,
      pp. 23-27).

This study is concerned primarily with subjective culture (in the sense of culture 2) possessed by "an aggregation of people (a community's members, collectively)" (Goodenough, 1961, p. 522) rather than with subjective culture of each individual. The term culture used in this study, therefore, refers to subjective culture of people in the collective sense. However, this does not mean to undermine the importance of individual meanings. Rather, the basic stance of this study lies in the view that all human interactions are interculturally loaded in that differing cognitive and perceptual orientations of each individual result in his/her own unique way of creating reality, or subjective culture. Thereby, although this is not intended to equate the complexities and intensities of communication between people of different nationalities with those of communication between individuals of the same nationality, this study takes the view that employment of an intercultural communication perspec-

tive is an indispensable prerequisite for effective human
communication of any sort to take place.

Intercultural Communication Principles

Frequently the terms "cross-cultural communication"
and "intercultural communication" are used interchangeably.
However, a distinction is sometimes made between them.
For example, Prosser (1978) defined intercultural communi-
cation as opposed to cross-cultural communication as follows:

> Intercultural communication... is defined as
> the interpersonal communication which has the
> added characteristics of similarities and
> differences in language, nonverbal cues,
> attitudes, perceptions, norms, values, and
> though-patterning. It is subsumed in the
> cultural level of the hierarchical model and
> is related to such subsets as intra/inter-
> racial, intra/interethnic, countercultural,
> and intracultural communication. While inter-
> cultural communication is seen as much more
> spontaneous and unplanned with a relatively
> small number of persons, cross-cultural
> communication is considered the interaction
> on a much more formal, planned, and routinized
> basis. Intercultural communication is con-
> sidered much more two-way communication, while
> cross-cultural communication is considered one-
> way, from a small group to a larger group.
> (p. 299)

In this study, however, the terms intercultural commu-
nication and cross-cultural communication are employed
synonymously. In its simplest sense intercultural communi-
cation is understood as communication between people from
different cultural backgrounds, where "a message encoded
in one culture must be decoded in another" (Samovar et
al., 1981, p. 27). A message means any verbal and non-

verbal behavior to which meaning is attributed. Behavior
may occur consciously or unconsciously, intentionally or
unintentionally. The fact that the decoder (a message
receiver) does not share the same cultural meanings with
the encoder (a message producer) means that the meaning
intended by the encoder is modified under the influence
of the decoding culture when the message is processed.
Many of the difficulties inherent in intercultural commu-
nication stem from such culturally differing attributions
of meaning in the coding processes of communication. Both
encoding and decoding are internal perceptual operations
in the sense that a message is created or processed in
light of the encoder's or the decoder's perceptual frame
of reference. Although perception is a highly personal-
ized process, the framework of it is primarily a product
of culture.

The significance of learning an intercultural communi-
cation perspective lies in the fact that much of the
cultural implications are outside our awareness. It is
due largely to the elusive nature of culture and of its
influence upon us. The elusive nature of culture mani-
fests itself, in Singer's (1982) terms, in "shared, often
unarticulated, and sometimes unarticulatable patterns of
perception, communication, and behavior," which are, in
fact, referred to as "a culture" (p. 58).

The term "intercultural communication principles" here
is used in a generic sense to refer all the concepts that
help examine variables in intercultural communication pro-
cesses and provide directions of improvement in communi-
cative behavior in intercultural transactions. Specifically,
in this chapter, the following concepts will be explored:
awareness of cultural contrast, empathy, and ethnore-
lativism.

AWARENESS OF CULTURAL CONTRAST

Awareness of cultural contrast can be seen to include
three types of cultural dimensions suggested by Samovar
et al., (1981): 1) an awareness of the cultural patterns
that influence upon our own perception, thinking, encoding
and other communication behaviors (cultural self-aware-
ness); 2) an awareness of the cultural patterns influenc-
ing the communication behavior of people from other cul-
tures (an awareness of other culture); and 3) identifica-
tion of cultural differences and their effect on commu-
nication (an awareness of cultural value conflict) (p. 60).
In this section the discussion will be centered around
the first two dimensions, i.e., cultural self-awareness
and an awareness of other cultures -- ethnocentric aware-
ness.

Cultural Self-Awareness

> As long as our way of perceiving the world...
> on which our communication styles and
> behavior patterns are based... is "out of
> awareness" it is not accessible to being
> deliberately changed, managed, or influenced.
> (Hoopes, 1979, p. 16)

The Significance of Cultural Self-Awareness   The sig-
nificance of cultural self-awareness can be drawn from a few
interrelated terms that all stem from the nature intrinsic to
culture and to its members as cultural beings: low level of
cultural self-awareness (Samovar et al., 1981); projected
cognitive similarity (Kraemer, 1973); and a self-reference
criteria (Lee, 1966).

One of the major contributing factors to the low
level of cultural self-awareness is our internalization of
our own cultural patterns in the course of socialization,
which results in burying the most of the influences of
culture below the level of our consciousness and blurs the
demarcation between the culturally-programmed conscious/
unconscious mind and the culturally influenced and yet
unconstrained one (one's personality predisposition). The
influences that culture has had on us usually remain
unquestioned until our first encounter with people of the
other culture. In other words, to the extent that our
cultural experiences are limited mainly to the sphere of our
own (resulting in the lack of experience to learn to exercise
multiple perspectives), we are most likely to subject our-

selves to the assumption that under the similar circum-
stances everyone thinks in the same way (projected cognitive
similarity). However, projected cognitive similarity
or a self-reference criterion (the unconscious reference
to one's cultural values in judging situations in a new
cultural environment) is by nature an unconscious emo-
tional operation in which even those who are well equipped
with intercultural communication skills often find them-
selves entrapped. Cultural self-awareness is, in this
sense, to come to grips with the emotionality of ourselves,
i.e., "awareness of emotional self" (Gudykunst and Hammer,
1983, p. 140) and our inherent problems as cultural beings
(the unconscious nature of our perception) separate of the
degree of our intelligence.

Developing cultural self-awareness is a process of
the individual's "becoming more 'functionally aware' and
having more knowledge of the degree to which his percep-
tion and his behaviors are culturally conditioned" (Hoopes,
1979, p. 13, p. 16). By "functionally aware" Hoopes
means "with an awareness that translates into an ability
to alter or manage our behavior in intercultural contexts."
It is true that cultural self-awareness can be learned
both at the cognitive and the affective levels. However,
cognitively-learned cultural self-awareness cannot be
consummated or validated if not accompanied by the emo-
tional affirmation through affective learning which in-

volves actual, and usually painful experience in real-life intercultural settings. On the other hand, affective learning that lacks a solid conceptual basis is prone to have weaknesses in its limited application (J. Bennett, 1986, p. 118). Also equally true, however, is that no amount of one's knowledge or awareness can guarantee that one would act out the appropriate patterns of behavior in a given situation. As such, developing cultural self-awareness, i.e., becoming "functionally aware," should be a continual conscious endeavor toward the integration of three levels of communication skills: cognitive, affective, and behavioral.

Benefits of Cultural Self-Awareness Probably the most valuable asset we can gain from increased cultural self-awareness is enhanced objectivity in intercultural perspective, i.e., "objectivity in appraising ourselves as well as in evaluating our counterparts" (Samovar et al., 1981, pp. 62-63). Among the reasons: 1) Understanding of the degree to which our perceptions and our behaviors are culturally conditioned allows us to diagnose difficulties in intercultural communication "from the point of view of discovering what cultural aspects of our own thinking may have caused the difficulty," which in turn predisposes us to observe the communication behavior of people from other cultures in their contexts, not in our own.

2) The knowledge acquired by understanding our own cultural patterns (i.e., the knowledge of conceptualiza-

tion or categorization of cultural patterns) provides us with "a perspective or a frame of reference for identifying cultural similarities and cultural differences between ourselves and others involved in an intercultural encounter."

3) Increased cultural self-awareness leads to "greater awareness of our ignorance of other cultures and a corresponding increase in motivation to learn more about them." Many of the misunderstandings and the difficulties in intercultural (or any type of) communication often stem from our simple ignorance of the other (culture) as well as of ourselves.

For all these reasons awareness of our own culture serves as an essential stepping stone toward awareness of other cultures.

Awareness of Other Cultures; Ethnocentric Awareness

Perception Cultural difference is natural and intrinsic. Yet, we are so accustomed to our own perception of reality that we often find ourselves facing a mental block against accepting different but, equally valid patterns of thought and perception in other cultures. A part of the reason is that our psychological mechanisms are programmed to act on the defensive against any deviation that is incongruent with our identity so as to maintain a certain internal consistency.

The implied problems here is that our perceptions about
other people or other cultures are largely our subjective
images (screened out and colored by our own assumptions
and values) of those people or those cultures. In its
simplest sense perception is understood as a combination
of two fundamental internal operations: the physical
(organizing stimuli) and the psychological (interpreting
data) dimensions (Samovar et al., 1981, p. 109). In
short, perception is a creation of "internal mental
images" out of the external stimulation. The outcome
of perceptual process is, thus, much more influenced by
our psychological dimension, the basic framework of which
is provided by culture, than by the capacity of our
physical apparatus. As such, distortion of our percep-
tion of reality and negative stereotyping occur when our
experience does not fit into our categories of meaning,
thus being forced into an inaccurate category to somehow
eliminate ambiguity and uncertainty (Hoopes, 1979, p. 15).

Ethnocentrism Ethnocentrism is defined as "the ten-
dency to interpret or judge all other groups, their
environments, and their communication, according to the
categories and values of one's own culture" (Ruhly, 1976, p.
22) with its implicit assumption of the supremacy and univer-
sality of one's own culture. Consequently, it ignores
or disvalues the importance of culturally different
views of the world in one way or another.

The most sensitive aspect of ethnocentrism lies in
very pervasive human emotionality in the sense that
one's cultural identity is a significant part of one's
self-concept and self image. In Katz's (1971) words,
"national identity... is an anchoring frame for the in-
dividual's conception of himself" (p. 424). The social-
zation process includes the development of an individual's
"self-identity not only as a unique personality but as an
individual belonging to an in-group showing the same
values and orientations in contrast to foreign out-group"
(Katz, 1971, p. 424). In this respect one can argue that
the socialization process is the one where a society en-
courages its members to be ethnocentric for its own sur-
vival and stability. This is one of the reasons why
cultural sensitivity is so important in any intercul-
tural transaction.

Intercultural learning (the learning of other cul-
tures) suggested by Hoopes (1979), for instance, goes
through a progression of seven stages on the learning
continuum with ethnocentric awareness as a starting
point: ethnocentrism -- awareness (an awareness of other
cultures) -- understanding -- acceptance/respect -- appre-
ciation/valuing -- selective adoption -- assimilation/
adaptation/biculturalism/multiculturalism (p. 18). This
basic notion is shared by Bennett's (1984) "Developmental
models of intercultural sensitivity" that demonstrates

various processes of a learner's acquisition of inter-

cultural sensitivity. By "intercultural sensitivity"

Bennett (1984) means "a person's perceptual relationships

to cultural difference" (p. 5). The model describes the

developmental states from the ethnocentric states (de-

nial, defense, minimization) to the "ethnorelative"

states (acceptance, adaptation, integration) with sub-

divided stages of development within each state.

All varieties in ethnocentric (and ethnorelative)

states in Bennett's (1984) model may be found among

people in any one single culture or even within an

individual with change in his/her perception of cul-

tural difference.

To summarize (pp. 9-30):

I. Denial

- denial of the existence of cultural differ-
  ence
- the most naive and parochial position
- "...a purely ethnocentric person feels that
  all people in the world share his or her
  beliefs, attitudes, behavioral norms, and
  values."

A. isolation: lack of a category for cultural
            difference due largely to circum-
            ferential physical isolation
            "Cultural difference is not ex-
            perienced at all. It simply has
            no meaning."

B. rejection: "the intentional erection of physical
            or social barrier to create distance
            from cultural difference" (e.g.,
            racially distinctive neighborhoods and
            ethnically-selective clubs)

II. Defense

- cultural differences are "overtly acknowledged"
  and yet perceived as "threatening"
- "...strategies are now sought to fight the
  differences directly in an effort to preserve
  the absoluteness of one's view."

A. denigration: "negative stereotyping" i,e., nega-
tive evaluation of difference in
race, religion, age, gender, etc.

B. superiority: "the positive evaluation of one's
own cultural status, not the overt
denigration of other groups" (e.g.,
black pride, and some manifesta-
tion of nationalism)

C. reversal: "a denigration of one's own culture
and an attendant assumption of
superiority of a different culture"

III. Minimization
- cultural difference is "overtly acknowledge"
  and "not negatively evaluated", however,
- cultural difference is "trivialized" under
  the weight of cultural similarities.

A. physical universalism: "...human being in all
cultures have physical characteris-
tics in common that dictate be-
havior which is basically under-
standable to any other human being."

B. transcendent universalism: "... all human beings,
whether they know it or not, are
products of some single trans-
cendent principle, law, or impera-
tive" (e.g., religion, the Marxist
notion of historical imperative).

Japanese Ethnocentrism; Its Historic Changes   If any

generalization is allowed about ethnocentrism found among

Japanese and Americans, it appears that typical Japanese

ethnocentrism takes the form of "polycentric ethnocentrism,"

whereas typical American ethnocentrism is operating in the

direction of "minimization" (minimizing the importance of

difference, Bennett, 1984) due largely to the pervasiveness

of American culture reinforced by the nation's linguistic,
economic and military super power in international affairs.
The term "polycentrism" refers to the state where one "is
overwhelmed by the difference, real and imaginary, great and
small, between its many operating environments" (Thorelli,
1966, p. 5). In such a state cultural difference is "overtly
acknowledged," and yet perceived as "threatening," which is
characteristic of the "defense" state in the aforementioned
Bennett's (1984) model. (Implications of these differ-
ing forms of ethnocentrism for cultural adaptability in
international business will be discussed in detail in
Chapter VI.)

For a number of reasons Japan as a nation seems to
have been caught up in very ambivalent foreign and cul-
tural consciousness. Environmentally, on the one hand,
Japan is most likely to be subject to "isolation" (i.e.,
cultural difference is not experienced at all) due to
the almost complete racial homogeniety and the geogra-
phical isolation as islands. But on the other hand, a
small country with virtually no natural resources re-
quired by modern industry is forced to be totally de-
pendent upon imported energy for its survival, thereby
fostering a strong sense of helplessness or vulnerability
deep inside (although since the first and second oil crises
energy-conservation along with the development of alter-
native energy such as nuclear energy has been promoted).

Historically, although Japan had formed the foundation of its own culture under the heavy influence of Chinese culture, contacts with China were interrupted by the end of the 9th century. During the Tokugawa Shogunnate (1603-1867) the Government overtly practiced "rejection" (keeping distance from foreigners) by embarking on an isolation policy (1639-1853). This was a drastic defensive strategy against a potential threat of Western colonialism due to a steady increase in the numbers of converted Christians in the country. "Denigration" (negative stereotyping) of European missionaries was employed to justify the policy. It resulted in the expulsion of all foreigners except for a handful of Dutch and Chinese "traders" confined to the small island of Dejima at Nagasaki, by whom the Government was, in fact, kept informed, if not fully, on what was going on in the West. However, the Meiji Restoration of 1868, in turn, triggered an extreme "reversal" phenomenon (Western cultures are superior to all others) that propelled the nation's radical and instant "catch-up" modernization during the era. But the "reversal" was soon replaced by "superiority" with the advent of imperialism that led to war with China (1894-1895) and Russia (1904-1905), and further military aggression eventuated in plunging the country into the Pacific War (1941-1945) in vain. As a consequence of the surrender to the Allied Powers in

1945, the pendulum swung back once again from "superior"
to "reversal" as may have been expected (for Japan, the
process of modernization was always a process of West-
ernization). At present, when already 41 years have
passed since the end of World War II, it would seem that
the deep-rooted "reversal" complex, along with the "re-
jection" residues, is somewhat being balanced with
the resurgence of confidence and cultural pride backed
by the nation's remarkable postwar economic recovery
that built the world's second-largest industrial
economy. However, on the other hand, some Japanese are
beginning to be concerned about the growing Japanese
arrogance observed both at home and abroad (e.g.,
Kunihiro, 1984, pp. 41-51; Hara, 1984, pp. 30-33;
Hiraiwa and Okawara, 1985, pp. 8-9). Prime minister
Nakasone's recent (September, 1986) racist remarks on
minorities in the United States (minorities lowered
the literacy level in the United States) would be one
of the worst possible examples of Japan's present
leader's "big-power chauvinism," (Kunihiro, 1984) which,
in fact, revealed the low level of his own international
sensitivity and perspective.   In his article Kunihiro
(1984) had already castigated Nakasone for his inter-
national insensitivity and his "narrow nationalism of a
homogenous race," i.e., "racial homogeneity as a source of
superiority."

Basically, superiority complex and inferiority complex are synonymous in the sense that both are the products of fear or insecurity. Considering the nature of past U.S.-Japan relationships, the growing arrogance exhibited by some Japanese toward the United States could be a repercussion of their deep-rooted inferiority complex toward the United States, which is like the bursting of a dam behind which has accumulated frustration of a century. On the other hand, however, there also could be a possibility that in some cases increasing assertiveness (not only economically but also verbally) on the part of a good old "teacher's pet" is perceived as extremely arrogant by some Americans.

In general, the Japanese are so conscious and perhaps so overly cautious of cultural difference that they are, in fact, imprisoned in their own paranoiac ethnocentric frame. It is associated with their latent xenophobia, which has rendered Japan as homogenous as it is today, and their pessimistic conviction of the uniqueness of Japanese culture that non-Japanese can never comprehend Japanese culture.[1] Xenophobia is based on a fear of losing one's own cultural identity. Despite the fact that over

[1]
     This obviously forms a striking contrast to the basic fabric of American society and to typical American ethnocentrism, i.e., American values are universal. However, there also seems to be quite a number of Japanese who confuse internationalization with Americanization.

the centuries the Japanese have shown an enormous appetite
and a unique aptitude for assimilating elements of foreign
cultures, their acquaintance with foreign cultures has
never really centered on the most direct form of face-to-
face interaction with people of other cultures. Suzuki
(1985) explains:

> Throughout history the medium of almost all
> Japan's contact with other cultures has been
> documents and objects rather than personal inter-
> action. The Japanese have very little experience
> of the most direct form of cultural contact, con-
> frontation with people of other cultures in the
> course of daily life.... the Japanese never
> developed the strong sense of identity character-
> istic of continental peoples, whose countries are
> contiguous to other countries. (p. 84)

Consequences of Japanese Ethnocentrism The most
damaging consequences of Japanese ethnocentrism for the
Japanese themselves are manifested in "an extreme imbalance
in the flow of information and opinion, with a heavy flow
into Japan but almost no flow the other way," which has
exacerbated frustration and tensions arising from trade
friction with other nations (Takashina, 1985, p. 78). The
Japanese are zealous in exporting products, which have
penetrated all over the world, but make little effort to
export information about themselves, their values and
premises to the rest of the world. A few factors serve to
explain the situation. First of all, it is attributable
to Japanese parochialism. As has already been discussed,
historically, Japan has always been overwhelmingly an
importer of foreign cultures in order to catch up with

advanced nations. In ancient times China was an absolute teaching model for Japan; so have been Western countries since the Meiji Restoration of 1868. In other words, Japan has never been in a position to commit itself to fulfill its full international responsibilities as a major power. Culturally, dread of confrontation and distaste for explicit verbalization result in their apparent lack of verbal skills in international contexts, even if those traits are valued and work perfectly in the Japanese context.[2]

Awareness of Cultural Value Conflict

In general, the effectiveness of communication depends largely upon similarities between communicators. Yet in intercultural contexts similarities cannot be relied on. Thus, the key to effective intercultural communication is not to expend most of our energies in the direction of assuming similarities, but to identify and deal with our incompatibilities by creating some commonalities between ourselves and others. Differences and similarities can be identified in such categories as 1) cultural assumptions and values (basic conceptualizations of the self, family, society, and the

[2] There are also a few other obstacles that impede Japan from disseminating information to the rest of the world: the Japanese language as a language in isolation and the Japanese people's negative attitude toward their own language (Suzuki, 1985, pp. 79-84).

universe), 2) patterns of thought (inductive vs. deduct-
ive, linear vs. circular), and 3) communication styles
(verbal and nonverbal processes, including such concepts
as time and space). For the purposes of this study
some of the cultural value discrepancies between the
United States and Japan have already been discussed in
the previous chapter. Now, a question is: How to deal
with differences, which is the main focus of the next
section.

<div align="center">EMPATHY</div>

Empathy and Sympathy

The philosophical assumption essential to empathy is
"multiple-reality" (the relativity of frame of reference).
It is based on the assumption of perceptual variance;
what is perceived is not the same for all people. The
alternative to this stance is the assumption of simila-
rity (similarity in our perceptions, given similar cir-
cumstances), on which sympathy is based.

The term empathy is contrasted to sympathy and
defined as "the imaginative intellectual and emotional
participation in another person's experience," while
sympathy is "the imaginative placing of ourselves in
another person's position" (Bennett, 1979).

> In empathy, we "participate" rather than
> "place," and we are concerned with "ex-
> perience" rather than "position." Placing

> ourselves in another person's position
> assumes essential similarity of experience
> with the other, making it sufficient to
> merely change places with him or her. In
> contrast, participation in another's expe-
> rience does not assume essential similari-
> ty. The other's experience might be quite
> alien, even if his or her position is simi-
> lar. Thus, we need to do more than merely
> change places, or stand in the other per-
> son's shoes. We need to get inside the
> head and heart of the other, to participate
> in his or her experience as if we were
> really the other person. (Bennett, 1979, p.
> 418)

Bennett (1984) identified the difference between sympathy

and empathy as the difference between "a shift in assumed

circumstance" (where one imagines how one's self would

feel in another person's position) and "a shift in the

frame of reference" (where one temporarily suspends

one's own world view in order to experience another),

thereby sympathy can be seen as ethnocentric, whereas

empathy is ethnorelative (p. 42). In this respect,

sympathy could be egoistic even with the best of in-

tentions, whereas empathy is altruistic to the extent

that it is exercised constructively for beneficial

purposes, not for unethical manipulation.

However, "there is nothing intrinsically 'good'

about empathy" (Bennett, 1979, p. 421). By the same

token, there is nothing intrinsically bad about sympathy,

either. Sympathy is "easy," "credible," "often accurate,"

and "may be comforting" (Bennett, 1979, pp. 413-414).

Yet, "in the face of difference" a sympathetic approach

does not practically work. it can work best only with extremely similar people with truly similar experiences. Again, the assumption that underlies sympathy is that "all people are basically the same; thus other people want to be treated in the same way we would like." In the face of difference, however, it is so "patronizing" that it could even risk leading to misattribution of motives. To provide a specific example:

> The Japanese, with the best of motives, wants to show kindness or respect to the visiting American. So he showers him with attention, plans his itinerary, escorts him to every attraction, supervises each photograph, selects a menu for him, chooses his souvenirs, and honors him with farewell gifts. The intent is constructive, but the American may interpret this as "coercive hospitality" at best, or at worst as "damned interference." He may appreciate the motive, but prefers to select his own itinerary, move at his own pace, choose his own restaurant, and spontaneously change plans according to his mood at the moment. After exhaustion has taken over he may feel more anger than gratitude for the "hospitality" he received. (Barnlund, 1975, p. 42)

Given the fact that culture is the major supplier of values and beliefs, it is highly unlikely that people from different cultures share truely similar perceptual frames of reference. It is, therefore, a safe and more realistic assumption that the reality we experience may not be the same reality being expressed by a person from another (or even in the same) culture. In intercultural communication where difference is inevitably encountered, the key is the ability to shift cultural

frames of reference when and where necessary, that is empathy.

Developing Empathic Skills

In order for empathy to occur successfully in inter-cultural contexts several preconditions need to be con-sidered:

1) a sincere desire for effective communication across cultural boundaries;

2) appreciation of cultural differences and a willingness to make a conscious effort to manage differences;

3) a sufficient knowledge and understanding of cultural factors subject to perceptual variance (as for business negotiation implications, in addition to culture-specific negotiation and management styles, company-specific nego-tiation styles need to be taken into account); and

4) sufficient flexibility that disallows stereotypes from interfering with judgment.

Specifically, empathic skills can be developed systematically by following six steps suggested by Bennett (1979, pp. 419-421): assuming difference -- knowing self -- suspending self -- allowing guided imagination -- allowing empathic experience -- reestablishing self.

Developing empathic skills assists us not only in becoming more sensitized to the values and needs of other people but also in reexamining our own values and expec-tations. If empathy is exercised mutually, and that

accompanied by mutual feedback from time to time, the
accuracy and effectiveness of empathy will be greatly
enhanced. (Conversely, without feedback empathy could
be a mere guessing game.)

ETHNORELATIVISM

Definition

Ethnorelativism is a term coined by Bennett (1984)
asn an appropriate opposite to ethnocentrism. It can be
considered synonymous with the term cultural relativism
in the following views:

1) "Culture can only be understood relative to one another."

2) "There is no absolute standard of 'rightness' or 'good-
ness' that can be applied to cultural behavior."

3) "Cultural difference is neither good nor bad, it is just
different," thus, the position does "not imply an ethical
'agreement' with all difference nor a disapproval of stating
(and acting upon) a preference for one world view over
another" as long as it is "made on grounds other than the
ethnocentric protection of one's own world view or in the
name of absolute (true) principles" (p. 31).

An important point to note is that a substantial
change in "the meaning attributed to difference" occurs
in the ethnorelative states. Unlike in the ethnocentric
states where cultural difference is experienced as
"threatening" (either explicitly or implicitly), the

ethnorelative experience of difference is "nonthreaten-
ing," rather "enjoyable." Cultural difference is "both
acknowledged and respected," yet "rather than being
evaluated negatively nor positively as a part of a de-
fensive strategy, the existence of difference is accepted
as a necessary and preferable human condition" (Bennett,
1984, p. 33). Basically it is a nonevaluative, sober
attitude toward difference which is taken as a matter of
course in life.

Ethnorelative States and Their Stages

The ethnorelative states consist of a progression
of three states with two stages of development within
each state: acceptance (behavioral relativism, value
relativism); adaptation (empathy, pluralism); and in-
tegration (contextual evaluation, constructive margin-
ality). In a state of acceptance value difference is
understood "in a processual context" (Bennett, 1984,
pp. 37-38). That is, valuing (or culture itself) is
seen as a process of reality construct with both great
external variation and internal variability rather
than being reified into values that are perceived as
"things" intrinsic to one's identity. Therefore,
"other cultures" different valuing is worthy of re-
spect, not censure." Cultural variation in values and
behavior is acknowledged and respected as inevitable and

enjoyable. (It is associated with cultural self-aware-ness.)

The adaptation state of intercultural sensitivity is characterized by "the emergence of ability to use accep-tance of cultural difference for relating and communi-cating with people of other cultures" (Bennett, 1984, p. 40). By adaptation Bennett means the ability to "shift" cultural frame of reference for the purpose of effective communication, and it should not be confused with assimilation that implies absorption into a new culture. Thus, it allows for shifting back into one's own cultural frame of reference, which has been tem-porarily suspended for the purpose of communication with people of other cultures. In other words, in the empathy stage of adaptation "such shifts are intentional and temporary." In pluralism, a more advanced stage of adaptation, however, "the shifts may be more uninten-tional and tied to permanent frames of reference" ("the existence of two or more internalized cultural reference" is characteristic of all pluralism) (Bennett, p. 41). As such, experience of difference in the stage of em-pathy is more limited than in the stage of pluralism in that "a different world view is still 'outside' self before and after the act of empathy" (Bennett, p. 46). Yet pluralism itself also has possible limi-tations -- "nongeneralizability and nonprocessual

orientation" (Bennett, p. 48) unless accompanied by "a conscious assumption of ethnorelativism." In other words, multiple frames of reference in such nondevelopmental pluralism lack an awareness of systematic development of cultural sensitivity. They are more a simple collection of multiple cultural perspectives with which one can identify, but which one is unable to extend into the general adaptation to cultural difference beyond the cultural spheres one is familiar with.

In the state of integration, the final state of ethnorelativism suggested by Bennett (1984), the person is not only pluralistic (sensitive to many different cultures) but also capable of incorporating difference as an integral part of his ever evolving identity process free from any particular cultural constraints. This type of person is what Adler (1982) calls "multicultural man." His essential identity is inclusive of life patterns different from his own and who has psychologically and socially come to grips with multiplicity of realities" (p. 390). A key ingredient in such multicultural mentality seems to be a strong motive for self-reconstruct (or self-expansion) toward a new identify. It is accompanied by a thirst for knowledge and perpetual psychological quests as well as great flexibility and tolerance for ambiguity. Adler (1982, pp. 394-396) described the multicultural identity as

follows:

> 1) The multicultural person is psychologi-
> cally adaptive.... The multicultural
> identity is premised, not on the hier-
> archical structuring of a single mental
> image but rather on the intentional and
> accidental shifts that life's experi-
> ences involve.
>
> 2) The multicultural person is ever under-
> going personal transitions. He moves
> through one experience of self to
> another, incorporating here, discard-
> ing there, responding dynamically and
> situationally.
>
> 3) Multicultural man maintains indefinite
> boundaries of the self. The parameters
> of his identity are neither fixed nor
> predictable, being responsive, instead,
> to both temporary form and openness to
> change.
>
> 4) No culture is capable of imprinting or
> ingraining the identity of multicultural
> man indelibly; yet, likewise, multicul-
> tural man must rely heavily on cultures
> to maintain his own relativity.

Hence, implied by such multicultural identity is "the

ability to analyze and evaluate situations from one or

more chosen cultural perspectives" -- "contextual eval-

uation" (Bennett, 1984, p. 52). However, several po-

tential pitfalls are also associated with such dyna-

mism (Adler, 1982, pp. 400-402):

> 1) multicultural man is vulnerable;
>
> 2) multicultural man can easily become
> multiphrenic ("diffused identity");
>
> 3) multicultural man can very easily
> suffer from a loss of the sense of
> his own authenticity;

4) multicultural man can very easily move from identity experience to identity experience without commiting himself or his values to real-life situations;

5) the multicultural person may take ultimate psychological refuge in an attitude of existential absurdity, mocking the patterns and lifestyles of others who are different from himself, reacting, at best in a detached and aloof way, and at worst as a nihilist who sees negation as a salvation for himself and others.

Adler, however, pointed out that these "stresses and strains" are basically different in nature from the tensions and anxieties usually associated with cross-cultural adjustment as seen in culture shock. A possible explanation for this in terms of the nature of identity would seem that culture shock may be caused by the clash of conflicting cultural identity patterns while one has had a relatively stable form of self process. Psychocultural dynamism and marginality characteristics of the multicultural person are two sides of the multicultural identity coin. A fluidity of self (or marginality) may give rise to stresses and strains; those tensions are the very basis of the dynamics of the multicultural style of identity. Yet, as Adler also says, the multicultural person does not necessarily have to entertain all those difficulties. In fact, when marginality is consciously used as "a constructive force" based on the awareness of marginality as "a natural out-

growth of highly developed sensitivity to cultural

relativity," it becomes what Bennett (1984) calls "con-

structive marginality" that "can be the most powerful

position from which to exercise intercultural sensi-

tivity" (p. 57).

THE APPLICABILITY AND USEFULNESS OF AN INTERCULTURAL PERSPECTIVE IN ENHANCING NEGOTIATING SKILLS

The Assumption of Perceptual Variance

As obvious from the literature review on the concepts

of intercultural communication principles in the previous

section, an intercultural perspective does not simply mean

a mere awareness of or familiarity with cultural differ-

ences. It is an ability to understand and appreciate the

reasons for the differences (e.g. the underlying reasons

that motivate people to behave in a certain way). It is

a person's "nonthreatening," "nonevaluating," and rather

positive perceptual relationship to differences ("ethno-

relativism"). Associated with this trait are self-aware-

ness, mental flexibility, tolerance of ambiguity, em-

pathy if not more sophisticated "contextual evaluation"

i.e., "the ability to analyze and evaluate situations

from one or more chosen cultural perspectives" (Bennett,

1984, p. 52), which can be possible by internalization

of multiple cultural frames of reference.

Negotiation here again is defined as "a process in which two or more parties, who have both common interests and conflicting interests, put forth and discuss explicit proposals concerning specific terms of a possible agreement" (Ways, 1985, p. 20).

The assumption of perceptual variance -- what is perceived is not the same for all people -- plays an important role in the negotiation process for the following reasons:

Firstly, it should be acknowledged that perceptual and value discrepancies between the parties can become major variables affecting the course of the negotiation. Perceptual difference, however, has ambivalent effects in conflict. On the one hand, it can be a cause of conflict. In many cases perceptual differences (differences in subjective reality, not in objective reality) generate conflicts in the first place. What you perceive to be reasonable is not necessarily what the other party perceives to be reasonable, for instance. On the other hand, agreement can often be reached because of differing perceptions between the parties by "dovetailing differences" in interests, priorities, beliefs and so on (Fisher and Ury, 1983).

Secondly, empathic skills (or a person's nonevaluating perceptual relationship to difference) are considered as a prerequisite to conflict management for the following reasons:

1) Empathic skills allow for objectifying the problem, wherein the problem is viewed from a common ground in an objective way. For instance, empathy is employed in Lee's (1966) four-step cultural analysis in business adaptation that is designed to check the influence of self-reference criterion (SRC) -- the unconscious reference to one's own cultural values:

> Step 1 - Define the business problem or goal in terms of the American cultural traits, habits, or norms.
>
> Step 2 - Define the business problem or goal in terms of the foreign cultural traits, habits, or norms. Make no value judgments.
>
> Step 3 - Isolate the SRC influence in the problem and examine it carefully to see how it complicates the prob lem.
>
> Step 4 - Redefine the problem without the SRC influence and solve for the optimum business goal situation. (p. 110)

However, there are some people who tend to interpret empathy mainly from the emotional side of it and argue the costs of empathy in the negotiation process, that is, the costs of oversensitivity and excessive reactiveness to the other's needs and wants in the negotiating outcomes (e.g., Kelle and Schenitzki, 1972; Rubin, 1983; Raven and Rubin, 1985). Moreover, a number of studies on the impact of the bilateral focus perspective (role reversal) vs. self-representation in simulated debates show that "bilateral presentation per se did not lead to more

frequent attainment over self-representation" (Lewicki
and Litterer, 1985, p. 287). Yet this is due to the
fundamental function of bilateral focus or empathy,
which is to uncover the goals of both parties, i.e.,
to reveal whether or not actual compatibilities in
objectives exist between the parties. According to
Lewicki and Litterer (1985), only under the following
circumstances did role reversal tend to enhance object-
ive understanding of the other position:

1. The role reversers performed well, that is, they were
   skillful effective role reversers.
2. The positions they were advocating were actually com-
   patible. Bilateral focus did not increase agreements
   when the negotiators' positions were actually in-
   compatible. When positions are incompatible, bi-
   lateral focus may serve to sharpen the areas of
   incompatibility and inhibit progress rather than
   promote it.
3. One party actively proposed compromises to reconcile
   any incompatibilities that may be recognized.(p. 287)

Thus, Lewicki and Litterer (1985) say, "...if the use
of bilateral focus reveals that the parties' goals are
actually incompatible, integral bargaining is impossible,
and the sooner that is discovered, the better" (p. 288).
In short, empathy should be an operational tool for the
need of objectivity in negotiation.

2) Conflict (or difference) needs to be viewed as a
natural and a more necessary condition to creative solu-
tions; in other words, a creative decision benefits from
the differing points of views and strengths of each -
the dynamics of competition and collaboration (a win-win

situation). In his painstaking review of conflict litera-
ture Thomas (1976) observed an emergence of a more gen-
eral recognition of positive effects of conflict in the
United States. A balanced view of conflict recognizes
that "conflict itself is no evil but rather a phenomenon
which can have constructive or destructive effects depend-
ing upon its management" (p. 889). The emphasis has
shifted from the elimination of conflict to management of
conflict over the past thirty years. Thomas (1976) notes
some recurrent themes in discussion of positive effects
of conflict as follows:

- A moderated degree of conflict may not
  necessarily be viewed as a cost by the
  parties involved;
- The confrontation of divergent views
  often produces ideas of superior quality;
- Aggressive behavior in conflict situations
  is not necessarily irrational or destruc-
  tive (suppression of conflict may have the
  effect of impeding progress and maintain-
  ing the status quo). (pp. 891-892)

Needless to say, those views are culture-bound. They are
American views of conflict and its management. Yet given
the improbability of complete elimination of conflict in
human interaction, it appears that the essence of the
argument -- the importance of viewing differences as posi-
tive diversity -- has universal validity even if conflict
may or should be managed in a culturally determined way
in a given cultural context.

Synergistic Conflict Resolution

One of the crucial negotiation skills suggested by Stepsis (1974) is the ability to determine the nature of the conflict, that is, the ability to diagnose "whether the conflict is an ideological (value) conflict or 'real' (tangible) conflict -- or a combination of both" (p. 140). Value conflicts are extremely difficult to negotiate and often unnegotiable. Stepsis (1974) explains:

> A difference of values, however, is really
> significant only when our opposing views
> affect as in some real or tangible way.
> If your stand on women's place in society
> results in my being denied a job that I
> want and I am qualified to perform, then
> we have a negotiable conflict. Neither of
> us needs to change his values for us to
> come to a mutually acceptable resolution
> of the "real" problem. For example, I
> may get the job but, in return, agree to
> accept a lower salary or a different title
> or not insist on using the all-male executive
> dining room. If each of us stands on his
> principles -- maintaining our value conflict
> -- we probably will make little headway. But
> if, instead, we concentrate on the tangible
> effects in the conflict, we may be able to
> devise a realistic solution.(p. 140)

In other words, "focus on interests, not positions" (Fisher and Ury, 1983) or focus on "problems rather than our demands" (Nierenberg, 1971). It is clear from the above example that first of all "our demands are only a one-solution approach to the problem" (Nierenberg, 1971, p. 12). To put it another way, "for every interest there usually exist several possible positions that could satisfy it" (Fisher and Ury, 1983, p. 43). Second

of all, "as more attention is paid to positions, less attention is devoted to meeting the underlying concerns of the parties" (Fisher and Ury, 1983, p. 5). However, it does not suggest that we should totally ignore positions and concentrate only on interests. The implication is that focus should be on identifying underlying interests of the parties while taking into account a specific position of each as a reflection of the underlying interests. Neither position needs to be given up, although it is possible that in the course of a negotiation new circumstances lead to a change in the position of one or the other party.

Intercultural implications of this point are important. It would be almost impossible to resolve any international conflict if the negotiation centers around the argument over the fundamental ideological differences between the parties, and not directed toward resolution-seeking endeavors for mutual gains if and whenever possible. The essence of intercultural communication principles is a creation of common meaning between the differing cultural entities. Based on the appreciation of cultural difference, commonality is established by both promoting shared meaning and resolving conflicting one. What should be dealt with, however, is not cultural difference per se, which exists for good reasons, but the problems caused by the effects

of difference on communication behavior of the people
involved.

The following definitions of cultural synergy by
Moran and Harris (1982, p. 5) may serve to explain the
nature of integrative bargaining -- a win-win approach
to negotiation - Lewicki and Litterer, 1985):

1. It represents a dynamic process.
2. It involves two, often opposing views.
3. It involves empathy and sensitivity.
4. It means interpreting signals sent by others.
5. It involves adapting and learning.
6. It means combined action and working together.
7. Synergy involves joint action of discrete agencies
    in which the total effects greater than the sum of
    their effects when acting independently.
8. It has the goal of creating an integrated solution.
9. It is sometimes related by the analogy that 2 + 2 = 5
    instead of 4, but given the various cross-cultural
    barriers, cultural synergy may be the equation
    2 + 2 = 3. If the cultural synergy sum is not
    negative, progress has been made.
10. For two prospective synergists to synergize effective-
    ly, true and complete understanding of the other or-
    ganization and especially of the culture is necessary.
11. Cultural synergy does not signify compromise, yet in
    true synergy nothing is given up or lost.
12. Cultural synergy is not something people do, rather
    it is something that happens while people are doing
    something else that often has little to do with
    culture.
13. Cultural synergy exists only in relation to a prac-
    tical set of circumstances and it takes place by
    necessity when two or possibly more culturally
    different groups come to the mutual conclusion that
    they need to unite their efforts in order to achieve
    their respective goals.

CONCLUDING REMARKS

In this Chapter based on cultural awareness the useful-
ness and applicability of an intercultural perspective in
business negotiation was discussed. However, in real-life

business negotiation situations, a mere awareness or recogni-
tion of the usefulness of an intercultural perspective is
not necessarily sufficient to motivate people to act it out.
There are many factors affecting the use of an intercultural
perspective. The following chapter will examine some of the
factors affecting the use of an intercultural perspective in
cross-cultural business negotiation. Some specific examples
of cultural synergy in negotiation will also be discussed.

CHAPTER V

ANALYSIS OF THE FACTORS AFFECTING THE USE OF AN INTER-CULTURAL COMMUNICATION PERSPECTIVE IN CROSS-CULTURAL BUSINESS NEGOTIATION

INTRODUCTION

In this chapter we shall explore some of the factors affecting the use of an intercultural perspective in cross-cultural business negotiation and the degree to which they are manifested in U.S.- Japan business negotiation (research question #4). While there are many such factors, the discussion will be concerned with two interrelated factors -- motives and power relations between parties.

The chapter consists of five main sections: the assumption; the approach; motives; power relations; and cultural accommodation as negotiating power. Although findings and theory to be presented are sketchy, two of the U.S.-Japan business negotiations case studies (from the literature review) will be used to demonstrate, first, the impact of motives and power relations between parties on the degree of their cultural accommodation in two opposite contexts, and second, conversely, the impact of parties' cultural accommodation on their negotiating power. While power in the first case refers to

the one shaped by environmental conditions, power in
the second case means strategic negotiating power.

The section of "power relations," however, will
address a rather general discussion of the impact of
U.S.-Japan power relations on cultural adaptability of
the two cultural groups. Specifically the discussion
will center around the question of why in general the
Japanese tend to be more willing to accommodate them-
selves to cultural differences than their American
counterparts in their interaction. A feasible reason
would be: "the reality of living with Western domination"
(Yamazaki, 1986, p. 59).

THE ASSUMPTION

Two issues are of importance here that affect the use of an intercultural communication perspective in cross-cultural business negotiation. The first one is "motives to cooperate" (Tung, 1984, p. 115) that lead to the entry decision and commitment. The second one deals with power, i.e., the ability to influence favorably the decision of others. The main assumption here is that the degree of a willingness (or unwilling-ness) to use an intercultural perspective in cross-cultural business negotiation often has more to do with the impact of the motives and power relations between the parties involved on their negotiating behavior than with the recognition of the importance of bridging cul-tural gaps per se. In other words, motives to cooperate and power relations of the parties tend to dictate who accommodates behavior more, thus who is more willing to use an intercultural communication perspective in cross-cultural business negotiation.

A willingness to use an intercultural communication perspective has three aspects: 1) a willingness to under-stand cultural differences (cognitive); 2) a willingness to appreciate cultural differences as a viable alterna-

tive (affective); and 3) a willingness to engage in inter-
culturally appropriate behavior (behavioral). While in
the previous two chapters we have emphasized the cognitive
and affective aspects, what we are concerned with here is
the behavioral aspect. A willingness to understand or
appreciate cultural differences does not necessarily go
hand in hand with a willingness to act out interculturally
appropriate patterns of behavior. Cultural adaptation
demands motivation. While there are a number of condi-
tions that produce motivation, attention will be re-
stricted to motives (some specific factors, e.g., in-
centives) to cooperate and power relations of the parties
in business negotiation situations.

THE APPROACH

Basically the approach this study employs (not only
this particular chapter but this entire paper) falls
into a category which Thomas (1976) calls a "structural
model" of conflict. Thomas synthesized two general
models of conflict from his extensive literature review
on conflict and conflict management -- a process model
and a structural model (pp. 892-894):

> Process model: - focuses on the internal dyna-
>   mics of conflict episodes;
>
>   - the objective is to identify
>   the events within an episode
>   such as the frustration of one
>   party, his behavior, the re-
>   action of the other party and

the final agreement or lack
of agreement. Having identi-
fied those events, the model
is then concerned with in-
fluence of each event upon the
following events -- for example,
how does the party's concep-
tualization of the issue influ-
ence his behavior, how does
his behavior influence the
other's, and how is the form
of the final agreement in-
fluenced by their behavior;

- useful for managing an ongoing
system and helps one cope with
crises.

Structural model: - focuses on the conditions
which shape events;

- the objective is to identify
parameters which influence
conflict behavior, i.e., iden-
tifying the pressures and con-
straints which bear upon the
parties' behavior -- for exam-
ple, social pressures, per-
sonal predispositions, estab-
lished negotiation procedures
and rules, incentives, and so
on. Furthermore, the struc-
tural model attempts to
specify the effects of these
conditions upon behavior -
for example, in what way do
peer pressures influence be-
havior, how does frequency
of interaction influence con-
flict behavior, and how do
various personal motives
shape one's conflict behavior?;

- helpful in altering variables
to produce long-run changes
in conflict-handling behavior
in a situation.

Thomas (1976) claims that the two models complement each

other in that "the structural variables constrain and

shape the process dynamics, while knowledge of the process dynamics helps one predict the effects of structural variables" (p. 894).

While the process model is concerned with a party's conceptualization of issues as a determinant of his behavior, the structural model is concerned with the effects of conditions (e.g., personal predispositions, rules, procedures, incentive, organizational norms, constituent pressures, etc.) upon emergent behavior. Cultural values and norms are considered as one such variable shaping ambient social pressure in terms of proper conflict behavior. Hence, what we are concerned with here is the effect of two particular variables -- motives and power relations between parties -- on their negotiating behavior regarding cultural adaptability.

In fact, the concept of negotiating power involves an infinite number of factors about the negotiating process. Bases of power, therefore, are identified variously. For instance, French and Raven (1959) categorized power into five factors: reward power, coercive power, legitimate power, expert power, and referent power. Lewicki and Litterer (1985) added to them the power of information as a sixth base. Fisher (1983), on the other hand, identified six kinds of power: the power of skill and knowledge, the power of a good relationship, the power of a good alternative to negotiating, the power

of an elegant solution, the power of legitimacy, and the
power of commitment. Moreover, negotiating power between
parties are subject to change with a constant shift of
circumstances (both internally and externally) develop-
ing during the course of negotiation. One's negotiating
power can dissipate easily; the negotiating momentum
swings from the one side to the other in a moment. How-
ever, our main concern is with negotiating power affected
by the relatively fixed underlying conditions (socio-
cultural environment), and not with negotiating power
shaped by the moment-to-moment process of various con-
flict behavior patterns or negotiating strategies and
tactics, which, however, will be touched on briefly
regarding the issue of cultural accommodation.

MOTIVES

Referring to Kapoor's (1975) study on international
business negotiation, Tung (1984) claims:

> ...to capture the dynamics of an interna-
> tional business negotiating situation, it
> is necessary to understand either partner's
> motives to enter into a cooperative agree-
> ment. An accurate gauging of the motives
> will assist in the projection of how accom-
> modating or non-accommodating a particular
> partner to the negotiation will be. If one
> party needed the agreement badly enough,
> it would bend over backward to meet the
> terms and demands of the other partner.
> (p. 115)

In other words, if there is strong enough motive, there
may be a willingness to accommodate in order to attain

negotiating objectives. It seems that a willingness to
accommodate to cultural differences becomes an integral
part of a whole package of accommodating to the needs of
the other party. One of the Tung (1984) case studies,
which dealt with a joint program in aircraft production
between Boeing and the Civil Transport Development
Corporation (CTDC), a quasi-Japanese government entity,
shows how accommodating the Japanese could be in indus-
tries where Japan is deficient and which are vital to the
national interest (pp. 109-129). The Japanese partner was
very accommodating "not only in the area of terms agreed
to,....but also in its willingness to accept the U.S. style
of confrontation in the negotiation process" (Tung, 1984,
p. 115). The Kapoor (1975) case study on the Mitsubishi-
Chrysler joint-venture negotiation, on the other hand,
provides an example of how accommodating and flexible
Americans could be in adjusting to cultural differences
as well as in seeking terms in the situation where the
U.S. company was very anxious to enter the Japanese
market (pp. 93-152).

The following are major underlying conditions, in-
cluding motives, behind such accommodating behavior
of the parties in the two case studies (the conditions
basically formed a power structure between the parties).

In the case of the Mitsubishi-Chrysler joint-venture
negotiations:

1. The American IC (Chrysler) is smaller than the Japanese IC (Mitsubishi) it was negotiating with.

2. The American company was very anxious to enter the Japanese market and therefore the terms of entry it could seek were different than if it were negotiating with a venture in developing countries, which generally seek foreign investment.

3. The necessity of recognizing and meeting the requirements of the Japanese government in order to gain approval of the joint venture required specific skills and intimate sensitivities in relation to Japanese business-government relations, which greatly enhanced the negotiating position of the Japanese company vis-a vis the American partner. (Kapoor, 1975, p. 15)

In contrast, main characteristics of the negotiations for the production of Boeing's 767 between Boeing and CTDC were:

1. The Japanese lag considerably behind the United States in aircraft technology; the role of the Japanese is a participant, rather than full-fledged partner.

2. The aerospace industry has been designated by the Japanese government as a growth industry for the rest of the twentieth century. CTDC is a quasi-government agency created under the sponsorship of the Japanese government, whose working entities are three giant multinationals — Mitsubishi Heavy Industries, Ltd.; Kawasaki Heavy Industries, Ltd.; and Fuji Heavy Industries, Ltd.

3. Because of the unique characteristics of the aircraft industry, there is virtually no viable route for Japan to follow except for joint cooperation with foreign manufacturers. (Tung, 1984, pp. 109-112)

The term "accommodating" will be qualified in detail
later with more about these two case studies. But in the
meantime the following section will shift attention to a
discussion of a more general and broader impact of struc-
turally influenced power relations between the United
States and Japan on cultural adaptability of the two
groups.

POWER RELATIONS

In the last section of Chapter III, based on the
Graham (1981, 1983) studies we discussed the vertical re-
lationship between Japanese buyer and seller as opposed
to the horizontal relationship between American buyer
and seller and its implications for U.S.-Japan business
relations. It was predicted that a Japanese seller coming
to the U.S. to market his products "naturally assumes
the lower status position and acts accordingly" (he
tailors his business and negotiating practices as well
as his products to fit the needs of the American con-
text); thus a sale is made. On the other hand, an
American seller who assumes the equal status position
with his Japanese buyer's tends to be viewed as
"inappropriate and lacking in respect" (it may be most
reflected in product adaptation); consequently the sale
is less probable.

This is an example of power relations between buyer and seller based on situational constraints and their impact on the behavior of the negotiators. Different degrees in perceptions of power relations between Japanese buyer and seller and American buyer and seller manifest their impact on the negotiators' behavior in different ways. An irony about it in terms of cultural adaptability is that the very usage of the Japanese way of conducting human interaction in international businesss coincidently leads the Japanese seller to be naturally adaptive to the host country or firm he aims at negotiating with.

Circumstantially, it would seem that the United States has been in one of the most disadvantageous positions to become empathic (but in one of the best positions to be sympathetic) toward other nations in the international arena, no matter how culturally pluralistic its own society is, because of the nation's power in every aspect of the international affairs coupled with the pervasiveness of its culture. If there is any truth to the statement that the Japanese have usually been the ones who are more willing to adjust to cultural difference in overall U.S.-Japan relations, it may be probably due to the power relations that have existed between the two nations.

The Reality of Living With Western Domination

- Our own great American achievement has somehow

> become a positive psychological handicap. The
> United States has been a vast and successful
> working machine for converting into ourselves
> persons from every nation of the world. We
> cannot make ourselves over, even imaginatively,
> into other people.... Our thoughtlessness is
> caught in our assumptions that what we do
> is never chauvinistic or nationalistic, though
> what others do may well be. Thus for British
> missionaries to teach cricket or Canadian
> missionaries to teach lacrosse would be chau-
> vinistic, but for American missionaries to
> teach baseball is not spreading American cul-
> ture but merely enabling the benighted nations
> to be human beings. (Ong, quoted in Cleveland
> et al., 1960, p. 131)

- Business people on both sides of the Pacific
  have learned to manage...differences in nego-
  tiating styles. The Japanese have been better
  at making adjustments. (Christopher, 1984, p.
  31)

- An important aspect of the Japanese style of
  business negotiation includes adapting bargain-
  ing behaviors to those of the host country or
  firm. (Graham and Sano, 1984, p. 17)

- Most U.S. companies that are international still
  have a basic strategy that is oriented toward
  the American market. They are simply not in-
  terested in foreign markets. (an American busi-
  ness executive, quoted in Hall and Hall, 1987,
  p. 151)

In the early years after World War II the United

States was the provider of technical expertise and Japan

was its recipient. It is true that the economic relations

between the two countries have drastically changed ever

since. Since the early 1980s Japan's visible (merchandise)

trade surplus with the United States has grown rapidly and

totaled about $50 billion in 1987 (Wall Street Journal, Jan.

6, 1988, p. 14) and it has been adversely affecting U.S.-

Japan economic relations. Moreover because of the con-
tinuing decline of the U.S. dollar's value against the
yen since 1985 (down 54% from its 1985 heights), which
could produce a significant improvement in the trade
gap, Japan's direct investments in the U.S. real estate
and corporations have been building up very rapidly
and reached $23.4 billion at the end of 1986,[1] from just
$4.7 billion in 1980.

Furthermore, because of the change in economic re-
lations, a psychological shift in their perceptions of one
another has been taking place. American business people
have been showing, for the first time, their serious
interest in learning Japanese management and business
practices and reassessing their own systems; Japanese
people have begun to exhibit their "big-power chauvinism"
both at home and abroad (e.g., Kunihiro, 1984, pp. 141-151).

However, what has not changed and what seems, at least
to the author, to be likely to remain the underlying
reason for the Japanese people's willingness to adjust to
cultural differences in their interaction with Americans
is this undeniable reality -- "the reality of living with
Western domination" (Yamazaki, 1986, p. 59). Take a simple
example: When American and Japanese business people or

[1] Japan ranked third after Netherland ($42.9 billion)
and Britain ($51.4 billion), according to _Time_, Sept. 14,
1987, p. 55.

politicians meet in Japan, do they bow to each other as a
form of greeting? Of course, not. They shake hands,
instead. Yamazaki (1986) explains two basic reasons for what
he calls "Western domination of world culture":

> 1) Western culture has a 400 year history
>   of global expansion, beginning with the
>   emergence of the European nation-states;
> 2) Western culture gave birth to industrial
>   society and so became the purveyor of an
>   asset of universal value: material wealth.
>   (pp. 59-60)

Thereby Yamazaki goes on to say what internationalization
for Japan (or any non-Western nations) means:

> First, it must be recognized that the world
> today is the world that was discovered by
> the West from the sixteenth century on.
> Accordingly internationalization for Japan
> means adapting to the Western order. Inter-
> nationalization thus involves not a peculiar
> culture adapting itself to a more universal
> culture but rather one set of peculiarities
> adapting themselves to another set. Just
> as "standard" Japanese is not a synthesis
> of diverse dialects but an expanded ver-
> sion of a particular Tokyo dialect, so the
> standard language of international relations
> -- both literally and figuratively -- is mere-
> ly an extension of Western idiom. (p. 59)

To almost an amazing degree, Japan has been showing
an enormous appetite and a unique aptitude for incorporat-
ing elements of "advanced Western cultures into its own in
order to survive and succeed in the international arena,
as discussed in the previous chapter.

However, it must be added that Buddhist fatalism
("the Buddhist virtue of passive acceptance of destiny,

rather than an active modification of it")[2] is considered
as another reason why the Japanese are inclined to accomo-
date themselves as a virtue to the external realities.

The word "full" (rather than "sufficient") under-
standing is almost unrealistic in intercultural settings.
The argument in this section that the Japanese are more
willing to adjust to cultural difference than their
American counterparts in their interaction with one
another is not meant to say that the Japanese have a
better understanding of what makes the other side of the
Pacific tick. Rather it is simply to say that the pre-
sumably better cultural accommodation on the part of
the Japanese, which is confined largely on the exteria,
is a mere result of their playing by the rules in the
international community run on Western principles.
Both Americans and Japanese still have a long way to go
in even having a "sufficient" understanding of each other's
cultural premises that influence them differently. Even
though billions of dollars of business have been trans-
acted between the two countries and no doubt it will con-
tinue to increase in the future, what we are seeing now
is increased and probably deep-seated mistrust between
these two countries. (See Japan Echo: vol XI, No. 3,
1984, pp. 25-33; vol XII, No. 3, 1985, pp. 7-37; vol

[2]
    In other words, the value of "man in harmony with
nature" as opposed to the value of "man dominating nature"
-- see Table 3.1. and Haglund, 1984, pp. 66-67.

XII, No. 4, 1985, pp. 8-26.) But at least both sides are talking with each other more than ever. Neither can afford not to. Nor can they deny the reality of this powerful economic interdependence.

A recent magazine article, "The Japanese don't know who we are" by Lee Iacocca, Chairman of Chrysler Corporation, provides a good example of how the tension underlying and surrounding the trade friction between Japan and the United States is intensified, on a very emotional level, by a lack of understanding of cultural differences. Journalistic sensationalism that tends to capsulize a part as a whole seems to have contributed to evoking much of the Iacocca's indignation. But what is interesting here is that both the Japanese broadcaster's comment and the Iacocca's reaction to it happen to be quite stereotypically representative of aforementioned cultural values - "man in harmony with nature" vs. "man dominating nature."

> Maybe because I didn't grow up on an island, I'll be the first one to admit that I don't fully unerstand what motivates the Japanese. But that works both ways....A couple of weeks ago I picked up a newspaper article on the anti-American feelings that are cropping up in Japan lately because of U.S. demands for fair trade.... One prominant Japanese television commentator, for example, was quoted as saying: "We've accepted trade friction like changes in the weather -- something natural -- and tried to adapt in a passive way, as you do against a storm or wind." Between those lines I saw exactly the attitude that has caused much of the problem. The Japanese aren't serious about changing their predatory trade practices. They just

intend to close the shutters and wait for
the storm to pass. The attitude has al-
ready convinced many Americans that Japanese
have to be forced to change, because they'll
never do it on their own. The storm won't
blow over. The Japanese don't understand
Americans or American politics if they be-
lieve that we'll continue to tolerate deficit
of $5 billion a month forever.... The trade
conflict between Japan and the United States
will continue to fester and get worse if we
don't learn to meet each other halfway, but
we aren't doing that right now. (This Week,
July 29, 1987, sec. A, p. 8)

CULTURAL ACCOMMODATION AS NEGOTIATING POWER

In the previous sections we discussed the degree
to which motives and structurally constrained power re-
lations between parties affect their cultural accommoda-
tion. In this final section, however, the focus will be
turned around onto the impact of cultural accommodation
on negotiating power. Thus, the term power in this case
refers to strategic power. But first, the term "accommoda-
ting" needs to be qualified in relation to another im-
portant term "collaborating" since the insulated defini-
tion of "accommodating" contradicts our working definition
of it.

Defining Accommodating

In the dual concern model (Figure 2) which has its
origins in Blake and Mouton's (1964) work, five different
approaches to conflict (different names are sometimes
given by various authors to the dimensions in the model)

```
                                    Competing                      Collaborating
                                   (Contending)                   (Problem solving)



                                              Compromising
                                               (Sharing)




                                    Avoiding                       Accommodating
                                   (Inaction)                      (Yielding)
```

Degree of Concern for own Outcomes

assertive ↕ unassertive

uncooperative ←——————→ cooperative

Degree of Concern for Other Party's Outcomes
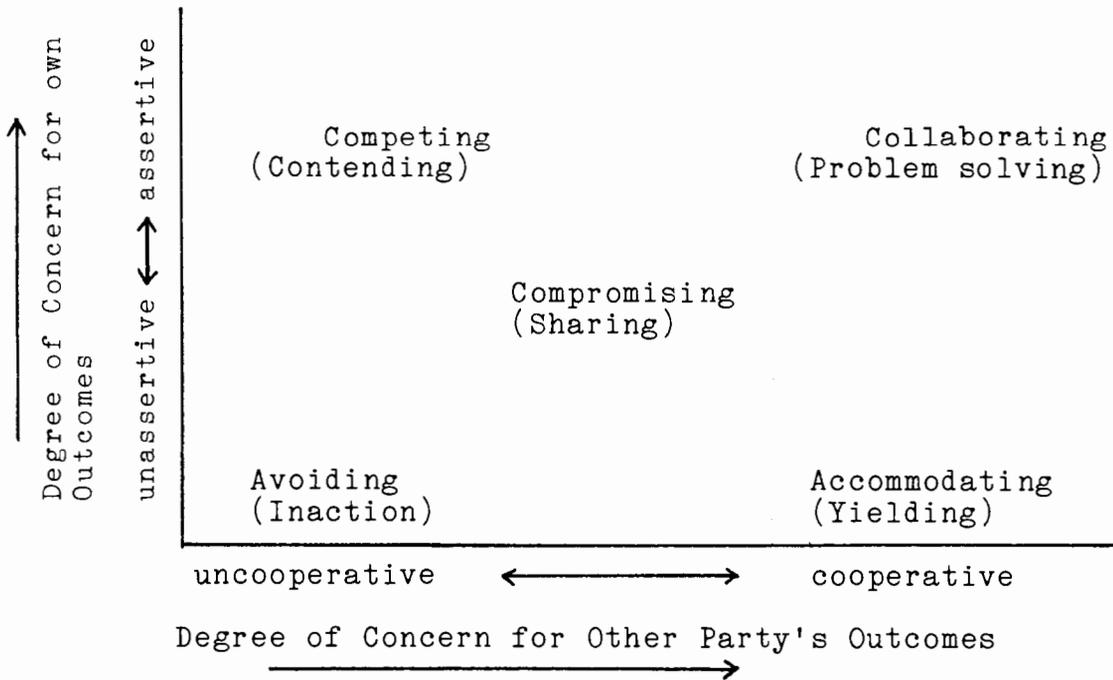
Figure 2. The dual concern model.
Sources: Thomas, 1976, p. 900.; Pruitt, 1983,
p. 173.

are identified on the basis of the degree to which a party
would like to satisfy his own concern and the degree to
which a party would like to satisfy the concern of
the other: competing (contending), accommodating (yield-
ing), compromising (sharing), collaborating (problem
solving), and avoiding (inaction) (Blake and Mouton,
1964; Filley, 1975; Thomas 1976; Gladwin and Walter, 1980;
Rahim, 1983; Pruitt, 1983; Lewicki and Litterer, 1985).

     According to the model, an accommodating orientation
or strategy focuses on satisfying the other's concerns in-
stead of attending to one's own. Accommodation involves
cooperation and unassertiveness. The assertiveness of a
party's orientation or strategy (concern about own out-
comes) is in part a result of the importance of the issues

to a party or a party's "stakes" in conflict. The notion
of a party's "stakes" refers to a party's dependence upon
the other; the more a party depends upon the other, the
greater are a party's stakes in his relationship with the
other (Thomas, 1976, pp. 917-918). The cooperativeness
of a party toward the other (concern about the other
party's outcomes) is to a large extent "a function of his
identification with the other that ranges from positive
identification through indifference to hostility" (Thomas,
1976, p. 902). Pruitt (1983) argues that there are two
basic reasons for a negotiator's concern about the other
party's outcomes: genuine concern (one has an intrinsic
interest in the other's welfare) and strategic concern
(one recognizes one's own dependence upon the other there-
by impressing the other with one's concern about his/her
welfare to obtain one's ends) (pp. 175-176).

Basically accommodation is assumed to result from
one's relatively small stake in a relationship where
there is commonality of interest. When one has a great
deal at stake in a relationship in which there is con-
siderable commonality of interest, he is expected to en-
gage in collaboration. Thomas (1976) explains:

> With common interest, he can generally
> trust Other's intentions and may lose
> little by deferring to Other's wishes.
> For example, if a researcher is engaged
> in several joint research projects, he
> is likely to devote the least energy to
> the least important of them, relying upon

> his colleague's judgment and generally
> accommodating his wishes. (p. 922)

Also, Pruitt's (1983) studies that were designed to test
predictions from the dual concern model indicate that as
predicted by the model the highest joint benefit was pro-
duced by active problem solving behavior (high concern
about own outcomes and high concern about the other's out-
comes); the contending (high concern about own outcomes
and lower concern about the other's outcomes) produced
moderately low joint benefit; and a combination of low
concern about own outcomes and high concern about the
other's outcomes, i.e., the yielding, produced the lowest
joint benefit of all (when both parties share the
same strategies) (pp. 176-178).

However, in a negotiation situation a negotiator
employs an accommodating (yielding) strategy for various
reasons and various purposes. Yielding may be used to
end negotiation quickly when issues are unimportant
and time pressure is high: in other words, when there is
little at stake in conflict. But yielding is also used when
there is a great deal at stake in conflict. For instance,
a negotiator may use yielding on certain issues in order
to induce corresponding concessions from the other side
on other issues. In Pruitt's (1983) words, it is to
"yield to a point that is compatible with the integra-
tive potential and then hold firm while engaging in

flexible problem solving" (p. 171). In other words, a yielding or accommodating strategy is often used as an integral part of a collaborating strategy where one has a great deal at stake in conflict. The following section will discuss how cultural accommodation may occur as a function of collaboration.

Positive Effects of Cultural Accommodation on Negotiating Power

The following is not a prescription of strategic negotiating power. But what is to be discussed is that cultural accommodation on the basis of astute preparation for and tremendous understanding of cultural differences can be, in fact, critical negotiating power rather than being simply viewed as yielding or subordinating. Of course, familiarity with cultural differences is a necessary but insufficient condition for the success of negotiation. Nevertheless, as stressed by Tung (1984), "unfamiliarity with cultural differences and inability to bridge the cultural gap can lead to the collapse of business negotiation" (p. 76). Particularly such ignorance and inability on the part of the one courting, who may negotite from a position of less clout, can be a highly detrimental element to the outcomes of the cross-cultural business negotiation.

Knowledge is power. Especially in cross-cultural negotiation where there is inherent uncertainty about

each other's value system and preference of strategies and tactics, access to relevant information is critical.

Without knowledge relevant to a particular negotiation, whether it is about "the people involved," "the interests involved," or/and "the facts involved," no negotiating power can be exercised effectively (Fisher, 1983, p. 154). The power of skill and knowledge is a primary factor of Fisher's (1983) six kinds of negotiating power. Five other categories include: the power of a good relationship, the power of a good alternative to negotiating, the power of an elegant solution, the power of legitimacy, and the power of commitment. Fisher (1983) claims that "exercising negotiating power effectively means orchestrating them in a way that maximizes their cumulative impact" (p. 152).

Closely related to the power of skill and knowledge, Fisher's (1983) emphasis on the power of a good relationship is also worth mentioning regarding cultural accommodation. As seen in his and his colleague's (1983) method of "principled negotiation," Fisher's basic approach to conflict appears to be a synergistic creation of the third culture in that the method of principled negotiation is an alternative to (not merely a fusion of) traditional approaches to negotiating. It is a way neither hard nor soft but rather both hard and soft -- hard on the merits, soft on the people, which is designed to deal with a negotiator's interests both in substance and in a good

relationship without mingling them.

The two most critical elements of a good working rela-
tionship are, Fisher (1983) says, first, "trust" and
second, "the ability to communicate easily and effectively"
(p. 155). Our power depends upon whether those on the
other side can trust us rather than whether or not we can
trust them; the ability of each to affect favorably the
other's decision, namely, power, is enhanced by the abi-
lity to communicate, according to Fisher. The importance
of establishing a supportive climate (Gibb, 1961) cannot
be overemphasized; behavior characteristic of it includes
description, problem orientation, spontaneity, empathy,
equality, and provisionalism. Gibb's(1961) study re-
vealed a positive correlation between increases in de-
fensive behavior (evaluation, control, strategy, neutrality,
superiority, and certainty) and losses in efficiency in
communication. The more defensive the climate, the
greater distortions. Conversely, as defenses are reduced,
the receivers become better able to concentrate on the
cognitive elements of the message rather than on the
affect loading.

The power of a good relationship which must be based
on cultural understanding is easily found as a contributing
factor to the success of both the aforementioned Mitsubishi-
Chrysler and Boeing-CTDC negotiations. In the former
case the Chrysler negotiating team displayed their under-

standing of the importance of nurturing a relationship to
the Japanese in a very empathic way. Kapoor (1975) notes
that "one of the reasons for growing confidence in
Chrysler by Mitsubishi was the cultivation of personal
relations by both sides" (p. 120). As illustrated in
Table I on Summary of Japanese and American Business
Negotiating Styles, the Japanese tend to devote considera-
ble time and expense to non-task sounding, the first stage
of the negotiating process, to establish rapport or size up
one another. Graham and Sano's (1984, p. 98) comment that
"once the relationship has been established, substantial
and complex negotiations will proceed more smoothly" is
a widely held view on the Japanese negotiating style.
An informal channel of communication was actively explored
by both sides (Kapoor, 1975, p. 120). Chrysler opened
offices at the Mitsubishi headquarters in Tokyo in May,
1969 for the negotiation period (1968-1971). It made
possible "gokigen-ukagai," or "dropping in to say hello"
by the Mitsubishi negotiating group from time to time at
their discretion and was very useful whenever negotiations
were at an impasse. For example, when a problem was caused
by the difference in methods used by the Americans and the
Japanese to forecast sales, the Japanese visitor would
explain the Japanese method of forecasting to his Ameri-
can counterpart. Furthermore, during the negotiations

the Chrysler representatives gave a party for the Japanese members (including wives) of the negotiating team, which made an extremely good impression on the Japanese involved. This is a good example of the understanding of the importance of an informal channel of communication by Chrysler; it is said that in Japanese negotiation much is accomplished through such an informal channel of communication, including after-hour socializing, which is a common practice in Japan, rather than through a formal communication channel at the negotiation table. But perhaps more important was the flexibility displayed by Chrysler in seeking terms and Mitsubishi's favorable reaction to it (Kapoor, 1975, p. 120).

On the other hand, in the joint program in aircraft production between Boeing and CTDC, where the Japanese were very accommodating and willing to follow the American way, a good relationship was cultivated in a different fashion. It was true that Boeing was astute enough to establish good relations, by the courtesy call approach, with Japanese senior-ranking government officials who sponsored the negotiation. But equally true was that the U.S. partner indicated that "most of the decisions were made during office hours, which were 'very productive, effective, and cordial'" (Tung, 1984, p. 127). It must have increased Boeing's confidence in CTDC in this case, thereby helping enhance CTDC's negotiating position vis-a-vis its American partner.

Cultural Synergy

The dynamics of the negotiation situations in
both cases may have been quite different from those
of many other business negotiations. The Mitsubishi-
Chrysler joint-venture negotiations (1968-1971) took place
within the context of growing pressures by Japan's major
trading partners, particularly the United States, for
capital liberalization. The negotiations encompassed two
critical issues: 1) how to gain approval from the Japanese
government that was at that time supporting the Ministry of
International Trade and Industry's plan for reorganization
of the Japanese automobile industry to better compete with
larger foreign companies, and 2) how to neutralize the other
Japanese automobile companies' negative attitudes toward the
joint-venture with a foreign company. The unprecedented
Mitsubishi-Chrysler joint-venture negotiation was under-
taken under extreme secrecy due to the delicacy of
the situation. This forms a striking contrast to the
context in which the negotiations between Boeing and
CTDC occurred almost a decade later, when the Japanese
government actively encouraged and even sponsored joint
cooperation with foreign aircraft manufacturers.

But what they had in common with any successful
business negotiation is that in both cases there
existed a considerable commonality of interests between
the parties and a recognition of the mutual benefits of

joint cooperation, therefore scope for mutual accommodation (even if one party was more accommodating than the other) toward collaborating endeavors and a positive commitment toward the negotiation on the part of both sides. In the Mitsubishi-Chrysler case, the commonality of interests and the mutual benefits were identified as follows:

On the Mitsubishi side:

1. Chrysler was one of the most influentual firms in the world, and it had an excellent reputation for management skills as well as technological know-how based upon long experience in the auto industry.
2. Mitsubishi and Chysler might be able to compensate for each other's weaknesses by sharing their worldwide production. For example, Mitsubishi had the advantage of its truck production and Chrysler its passenger car production.
3. Chrysler appeared to seek more reasonable terms compared to Ford and GM. GM insisted on 100 percent ownership of its subsidiaries, Ford wanted a 50-50 ownership arrangement, and only Chrysler would accept between 20-30 percent ownership.
4. Mitsubishi was weak in the area of an international marketing network, which could be provided by Chrysler.
5. Chrysler simply could not take over the joint venture as it had done in France and Spain. Since the Mitsubishi Group would hold all the shares allotted to Mitsubishi Heavy Industries (MHI) in the joint venture company, none of its shares would be available on the market. Chrysler would not be able to buy a share of Mitsubishi Heavy Industries, nor could it buy any shares of the joint venture company that belonged to MHI unless, of course, MHI decided to sell -- an unlikely occurrence at best. In case Chrysler wanted to obtain any control of MHI' share of the joint venture company's stock, it would eventually have to go through Mitsubishi Group, which was powerful enough to defeat any financial ploys that Chrysler might

attempt. Considering these circumstances, the
possibility of a takeover bid by Chrysler,
feared by the Japanese government, would be
practically impossible in the Mitsubishi-
Chrysler case. (Kapoor, 1975, pp. 113-114)

Chrysler was attracted to Mitsubishi for four key

reasons:

1. Japan was the only market that had not been
   previously invaded by GM and Ford. Chrysler
   wanted to be the first in that market.
2. Mitsubishi is one of the leading heavy in-
   dustry companies in many fields. Thus it
   would be beneficial for Chrysler to tie up
   up with Mitsubishi in case it wanted to enter
   into any other heavy industry fields beside
   that of the auto industry.
3. Chrysler would be able to compensate for some
   of its weaknesses - for example, in truck pro-
   duction, one of Mitsubishi's strong areas.
4. Chrysler wanted to obtain a share of the small
   car market by importing Mitsubishi cars to
   the U.S. (Kapoor, 1975, p. 114)

In the Boeing CDTD negotiations motives to cooperate on

each side were:

The Japanese government identified aircraft, both
military and commercial, as a potential growth in-
dustry because:

1. The aerospace industry is high-technology,
   export-oriented, and hence worthwhile from
   the standard of Japanese objectives.
2. For some time the U.S. government has prodded
   the Japanese to assume greater responsibility
   for its own defense.

3. The production of commercial aircraft repre-
   sents a viable route for recouping or re-
   covering the costs of research and develop-
   ment on military defense. (Tung, 1984, p. 115)

Boeing's motivations to embark on a joint program
with CTDC were:

1. Risk-sharing: Because of the unique character-
   istics of the aircraft industry, there are tre-

mendous risks involved in developing a new air-
plane. By allowing participation by others,
Boeing would share that risk. In a typical
program about the half the costs of production
are borne by subcontractors and suppliers.
2. Market access: The aircraft is highly competi-
tive; although participation by a country does
not necessarily guarantee the purchase of air-
craft by a government-owned airline, it does
create a more favorable market environment.
3. By involving Japanese firms, it 'keeps these
companies (and countries) out of a competi-
tive alignment.' Besides this joint pro-
gram with Boeing on the 767s and more re-
cently agreed on YXX series, Japan has also
entered into an agreement with other U.S. and
European firms to form a seven-firm consortium
for the construction of a jet engine for use
in a new 150-passenger airplane.... (Tung,
1984, p. 116)

In this Boeing-CTDC case it should be also noted that re-
ciprocal cultural awareness on the part of the Americans
played an important role for the success (Tung, 1984, p.
123, pp. 126-127). Mutual (cultural) accommodation was a
distinctive characteristic of the Mitsubishi-Chrysler
negotiation too, as described earlier.

In this respect, it appears that as Moran and Harris
(1982) say, "cultural synergy exists only in relation to
a practical set of circumstances and it takes place by
necessity when two or possibly more culturally different
groups come to the mutual conclusion that they need to
unite their efforts in order to achieve their respective
goals" (p. 5). Conversely, it can be said that a strong
underlying commitment toward mutual cooperation on the
part of both sides can make formidable cultural barriers

surmountable (at least at the practical level).

CONCLUDING REMARKS

The main purpose of this chapter was to examine some of the factors that affect motivation to use an intercultural communication perspective in cross-cultural business negotiation. We discussed two sources of influence upon parties' cultural adaptability: motives to cooperate and power relations.

The review of the relevant literature on U.S.-Japan business negotiation case studies showed that strong enough motivation on the part of both sides leads to reciprocal cultural accommodation. It was suggested that successful cross-cultural negotiation contains an aspect of cultural synergy through such mutual cultural accommodation.

In the following final chapter we will further discuss the importance of cultural awareness and adaptation for the business leaders of the future.

CHAPTER VI

CONCLUSION

SUMMARY

The term "difference" has been continually emphasized
throughout this paper. The assumption of cultural differ-
ence is at the core of learning intercultural communica-
tion and dealing with difference is the major skill de-
manded. In other words, as seen in communication of any
kind, often it is not difference that breaks up communi-
cation -- it is the failure to deal with it. A part of
the difficulty of dealing with difference lies in the
fact that the ability to accept and appreciate difference
demands personal maturity. It includes inner security,
high self-esteem, and integrity as well as psychological
and cognitive flexibility, all of which permit us to
understand the underlying reasons causing differences and
to deal with them objectively.

This study was intended to help develop a balanced
view of cultural difference for the improvement of cross-
cultural negotiating skills from the following angles.

Chapters II and III discussed the major differences
in the process of business negotiation between the United

States and Japan and potential friction between Americans
and Japanese in business negotiation arising from cul-
tural differences. Specifically Chapter III examined
cultural differences in the light of 1) assumptions
and values, 2) philosophies of negotiating, 3) communi-
cation styles, 4) decision-making processes, and 5)
situational constraints and status relationships. However,
it should be noted that this study did not attempt to pre-
determine negotiating behaviors of the two cultural groups.
As mentioned everywhere in this paper, negotiating behavior
is influenced by various factors such as environmental
conditions, (i.e., political, economic, social, and cul-
tural contexts in which negotiators operate), as well as
such factors as issues, events, expertise, and person-
alities. Cultural generalizations and comparisons were
made for the purpose of overcoming our natural cultural
blindness; in other words, to provide some insights into
unconscious factors (i.e., cultural factors) and the de-
gree to which such unconscious factors condition nego-
tiating behavior.

Chapter IV was devoted to the concepts of intercul-
tural communication principles and the applicability and
usefulness of an intercultural perspective in enhancing
negotiating skills. It was hoped that the concepts of
intercultural communication would provide a theoretical
framework to see culture-biased communication problems in

perspective. But more importantly, the underlying in-
terest of this study lay in the hope that with the con-
ception of culture as subjective culture, i.e., an in-
dividual's cognitive and perceptual processes, the appli-
cability and usefulness of intercultural perspective
could be expanded into other spheres of human interaction.
The perspective is based on appreciation of uniqueness of
each individual's values and perceptions, which naturally
leads to an assumption of value and perceptual differences
between cultures. A culture may be himself/herself, male/
female, parent/child, management/labor, American diplomat/
Soviet diplomat, and so on. The larger notion of "culture"
is simply a composite view of the consistencies among
groups of individual subjective cultures.

Chapter V focused attention on the impact of situa-
tional constraints upon negotiating behavior in terms of
cultural adaptability. A party's behavior was seen as a
result of and a response to a variety of structural
variables surrounding the negotiation process. Structural
variables, according to Thomas' (1976) structural model,
include 1) parties' behavioral predispositions which stem
partially from motives and abilities, 2) social pressure
(e.g., constituent pressure, ambient social pressure),
3) incentive structure -- the conflict of interest between
parties and their stakes in the relationship, and 4) rules
and procedures (pp. 912-926). We were, however, concerned

with two sources of influence upon the behavior of the parties: motives and power relations between parties that affect "stakes" in the relationship. A review of literature on U.S. - Japan business negotiation case studies suggested that a party's motives and his power relations with the other party tend to influence the degree of his cultural adaptation (the greater a party's motives and stakes are in conflict, the more culturally accommodating a party becomes), thereby minimize the effect of a party's original behavioral orientation, including his culturally predisposed behavior and his personal idiosyncracies.

However, this finding is twofold. On the one hand, it suggests that cultural values and norms as ambient social pressure (one structural variable) are constrained and outweighed by another structural variable -- incentives. But on the other hand, a party's cultural sensitivity is in fact encouraged and promoted by incentives into acting out culturally accommodating behavior toward the other party. In other words, even though the influence of a party's original cultural values and norms on his behavior is (or should be) minimized under certain conditions, it is not undermined, rather objectified and modified with practical and functional purposes. This is called cultural adaptation. In this respect, the main point of the discussion on "the reality of living with Western domination" was in an attempt to see the impact

of structurally shaped power relations between parties
on their cultural adaptability in a more general and
broader context.

The effectiveness of cultural adaptation on the out-
comes of cross-cultural negotiation was also an important
point to be made in Chapter V in term of cultural accommo-
dation as negotiating power (strategic power) in contrast
to structurally shaped negotiation power. It was argued
that it is possible for a party in a position of less power
to utilize cultural awareness and accommodation as negotiat-
ing power, thus somehow dilute (if not turn around in the
long run) the effect of the existing power relations with
the other party. However, the reality is that a party who
has far more negotiating edge over the other can get by
without adequate cultural accommodation, whereas a party
in a weaker position cannot afford to ignore cultural
differences in order to attain successful outcomes.
Kobrin's (1984) research on the nature and importance
of international expertise in large American internation-
al firms provides some supporting evidence on this connec-
tion between power and cultural accommodation: "... expa-
triate managers who are successful without learning the
language are almost always in firms with very strong competi-
tive or product positions" although language competency
has remained a controversial topic in international

business and "there are few places that one cannot 'get by' with English." (p. 30, p. 36).

Yet no doubt the optimal joint benefit is produced by collaborating endeavors on the part of both sides, which include mutual cultural awareness and accommodation. With this implication the term accommodating was qualified as an integral part of collaborating efforts, as opposed to its insulated definition as a strategy resulting from one's relatively little stakes in a relationship where there is commonality of interest. According to this formal defini-tion of accommodating, mutual accommodation leads to the lowest joint benefit among all: collaborating, contending, and accommodating when the same strategy is shared by both parties (e.g., Pruitt, 1983). Regarding this point, the two successful U.S.-Japan business negotiation case studies exemplified 1) the occurrence of cultural accommodation as a result of a party's great stakes in a relationship in which there is considerable commonality of interest, which is considered as a condition of collaboration, and 2) an emergence of cultural synergy through reciprocal cultural accommodation as a result of strong commitment to colla-boration on the part of both sides.

THE FUTURE OF CULTURAL AWARENESS IN BUSINESS AND NEGOTIATION

The following discussion is based on the Kobrin (1984) study titled International Expertise in American Business,

the data of which were gathered through interviews and a
mailed survey from a total of 233 managers in 126 large,
international, American firms ("Fortune 500" industrial
firms), which are statistically representative of the 217
firms included in the study. While the study is about
the U.S. managerial perceptions of international expertise,
it offers valuable insight into the importance of cultural
sensitivity and cultural learning for the business leaders
of the future, or anyone who is involved in international
business.

Thus, a review of the study is expected not only to
lend support to the efforts of this thesis to demonstrate
the importance of cultural learning but also to validate
and elaborate on the discussion of cultural adaptability
in the previous chapter from a more realistic point of
view. Two issues will be explored: 1) the importance of
international expertise and 2) cultural training impli-
cations.

The Importance of International Expertise

Kobrin (1984) observes U.S. managerial perceptions of
international expertise as follows:

- Managers view international expertise from an in-
  formation and an operating perspective. Economic,
  social, and political information is necessary
  for the analysis and forecasting underlying plan-
  ning and decision making. An understanding of
  how to interact with people and organizations in
  other countries, of how to "move around and get it

done," is required to operate outside of the United
States....

- International expertise also can be <u>country speci-
fic</u> or <u>general</u>.... No one discounts the value of in-
formation and specific country knowledge; indeed
it is impossible to do business abroad without
them. Yet most of the managers I spoke to are more
concerned with operating and comparative expertise....
they sought a general understanding of how to work
outside of the United States; sensitivity rather than
information or expertise.... An international trea-
surer claimed he does not need to be the world's
leading Philippine expert. Rather, he feels it
critical to understand differences in ways of
approaching a problem and getting things done....

- The distinction between specific country knowledge
and comparative international expertise starts with
premise that an international manager cannot expect
to develop in-depth expertise about all of the
countries with which he or she must deal. What may
be more important is recognizing that other countries
are different, learning exactly what it is that is
likely to vary, and gaining an appreciation of the
range that variation can encompass. An international
personnel manager stated the idea directly: "The most
important thing is to know that there are a hell of
a lot of differences between countries." Many of
my respondents expressed frustration with their
domestic colleagues who simply could not be con-
vinced that business is done differently in other
places ....

- International expertise entails the ability to
generalize and compare. Many managers, for exam-
ple, observed that there is a considerable differ-
ence in how directly one can approach a problem
or a negotiation across cultures. Those who
realize that this difference exists, and that
Americans are more direct than most, have a clear
advantage even if they are not sure how negotia-
tions are handled in a specific country. A
senior executive in a computer firm told me about
negotiations in progress with China. He said that
he knew very little about that country when he
started, but he had considerable experience in
dealing with other centralized governments and,
despite the differences, it was quite helpful.
Just knowing the forms that political and cul-
tural differences make, or even that differences
exist, is a plus. (pp. 9-13)

Regarding the importance of the assumptions of
difference a similar view point is expressed by writers
on Peace Corps' experience. When Peace Corps' volunteers
psychologically prepared for vast differences between
cultural customs, norms, and values, they generally
faced less communicative and cultural conflict than those
going to apparently similar but actually dissimilar soci-
eties (Prosser, 1978, p. 20). However, again, throughout
his research Kobrin (1984) observed that one of the prob-
lems of U.S. international managers is "convincing their
colleagues that other countries are different; that people
see things, do things, and approach problems in a variety
of ways" (p. 61). Kobrin attributes this in part to cir-
cumstantial isolation, that is, to the fact that Americans
live on a large and relatively homogeneous continent.
In Bennett's (1984) model this describes the "isolation"
stage of the state of "denial," the most naive and paro-
chial position of ethnocentrism. From a position of
"isolation," due to the lack of a category for cultural
difference, "cultural difference is not experienced at all.
It simply has no meaning" (Bennett, 1984, p. 10. Refer to
the summary of the model in Chapter IV). But it also seems
that those who cannot be convinced that "American policies,
procedures, and management techniques must be adapted,
or might even be inapplicable, in other contexts" could

be in a position of "superiority," one form of "defense,"
or in a state of "minimization," using Bennett's terminology. Both the "defense" and "minimization" states
"overtly acknowledge" cultural difference and yet the
former perceives it as "threatening" and the latter
"trivializes" it.

At this point of time, there is no data available
about Japanese managerial perceptions of international
expertise comparable to the one of the Kobrin study.
However, it could be assumed that Japanese managers would
not have as much trouble as their American counterparts
in convincing their colleagues that other countries are
different. Rather, Japanese in general are so conscious
and so overly cautious of cultural difference that they
tend to imprison themselves in their own paranoiac ethno-
centric frame, as discussed in Chapter IV. This may take
the form of "rejection" (the intentional erection of
physical or social barriers to create distance) in the
"denial" state, or could eventuate in the position of
"reversal" (a denigration of one's own culture and an
attendant assumption of superiority of a different cul-
ture) in the "defense" state in Bennett's model. On a
personal level many Japanese might follow these patterns.
Yet on a business level, as discussed in the previous
chapter, many Japanese businessmen overseas appear to be
fairly adaptive to cultural differences. A good example of

this ambivalance of the Japanese behavior overseas can be found in a magazine article about the Bridgestone's successful takeover of the Firestone plant in La Vergne, Tenn. Bridgestone, Japan's No. 1 tiremaker, turned the old tire factory around and pumped new life into the local economy. Management-labor relations have improved significantly. "Morale is at least 300% better than it was under Firestone," says La Vergne City Manager Richard Anderson. Nonetheless in a social context there has been little interaction between the Japanese and Americans. "The Japanese are pretty closed as a group....They pretty much keep to themselves," Anderson also comments. (Time, September 14, 1987, p. 60).

Back to Kobrin's (1984) report, survey results were consistent with the aforementioned interviews regarding the managers' perceptions of specific country knowledge vs. comparative international expertise. When respondents were asked to rank six factors in order of their importance to effective international management, the ability to deal with people was ranked first by 49% of the respondents, whereas country knowledge was much further down the list ranked fifth by only 11%. Other factors are: functional knowledge (i.e., marketing or finance) second by 32%; company knowledge third, 26%; knowledge of industry and competitors fourth, 21% and technical knowledge last, 10% (p. 12). However, it seems safe to see

the survey results only in the relative importance of
operational and comparative international expertise
against country knowledge in this case, for if people
skills in the survey represent operational and com-
parative international expertise, the following inter-
view results do not appear to be congruent with the above
survey. The question still remains: how really important
is international expertise relative to all of the other
skills such as functional skills, technical and product
knowledge, corporate expertise and the like? Kobrin
(1984) points out that while the majority of the respon-
dents interviewed agree that international expertise has
some value, they disagree about its importance.

A small minority (10%) of those interviewed feel
international expertise is the critical factor in
international business. They believe it to be more
important than technical or functional skills or
even company experience, and state that it is a
major factor in hiring people for international
jobs and in promotion decisions. A much larger
number (45%) feel international expertise is
important, but not critical. While technical
and functional skills clearly come first, inter-
national expertise is a very important plus.
it helps get the job done or it may even be
necessary; however, it is not sufficient.
Another substantial group (37%) characterized
international expertise as "nice to have" but
relatively minor factor in international business.
They feel that they can obtain what is necessary
when the need arises. Last, a very small minority
(6%) discount the importance of this sort of
expertise almost entirely or even feel it can be
a negative influence, providing reasons for people
not to do their jobs. While the four groups of
managers disagree about the relative importance
of international expertise, they all agree that it
alone is not sufficient. Basic business skills are

an absolute requirement.(pp. 18-19)

Again how important is international expertise?
First of all, no one suggested that international exper-
tise can, and will substitute for basic business abili-
ties and skills, not to mention "'horror stories' about
individuals who were accomplished linguists or country
experts but simply could not function in a business en-
vironment" (p. 17). And perhaps more importantly, as a
manager who exports heavy equipment to Latin America and
who is a Peace Corps alumnus points out, while inter-
national expertise is vital, "one needs stronger business
and technical ability overseas than at home," and the
bottom line is that "international expertise is of value
only when converted to business results" (p. 22).

However, it is difficult to measure precisely how much
international expertise contributes to effective perfor-
mance overseas because the importance or effectiveness of
international expertise depends largely upon individuals'
perceptions of it. Referring to the extreme range of
opinion within companies, Kobrin (1984) maintains that
differences in assessment of the importance of interna-
tional expertise reflect "individual background and ex-
perience, particularly substantial business (or in a few
cases non-business) experience abroad" (p. 26). Several
people interviewed made an interesting and related point
suggesting that "perceptions of the importance of inter-

national expertise may reflect how much international

expertise one has. Those without it have difficulty

in seeing its value; they really do not know what they

are missing" (p. 26). Specifically, Kobrin (1984) ex-

plains.

> All nine of the managers I interviewed who said
> international expertise is critical had served
> abroad themselves. Only one of the six who dis-
> counted its value had done so. Fifty-four per-
> cent of those who had previous overseas assign-
> ment feel it is important compared to 31% of those
> who had not, while only 31% of those who had been
> abroad characterize international expertise as un-
> important compared to 52% of those who had not.
> (The differences are not statistically signifi-
> cant at conventional levels.) Survey results
> support this observation. Managers who have been
> assigned abroad are less likely to disagree, and
> more likely to agree, that international expertise
> affects promotion decisions.(p. 25)

In summary, Kobrin (1984) raised three important

points about managerial perceptions of international

expertise as follows;

1)   Perceptions are derived from experience - the value
     of international expertise may not be apparent to
     those who do not have it;
2)   There is a tendency to consider "the ability to do
     the job" and international expertise to be indepen-
     dent of one another, to define the former in terms
     of business skills alone. That separation of the
     task from its context may not be warranted;
3)   There is a tendency to see adaptability as a result of
     basic personality traits; the implication is that in-
     ternational managers are born not made. Adaptability,
     however, may well be learned; it may come with an
     appreciation of individual and national differences.
     It may result from developing international expertise.
     (pp. 28-29)

The third point was made based on the quite interesting

fact that a number of managers who do not value inter-

national expertise highly speak well of the value of
adaptability in international business nonetheless, but
in terms of basic personality traits (p. 27). By adapta-
bility they mean such traits as flexibility, openness,
and sensitivity to others. They argue that "what is
important internationally is not so much knowledge of
differences, but the ability to adapt to them" (p. 27).
In other words, they do not seem to consider adaptabi-
lity as an essential part of international expertise.
But in fact, they are arguing the relative importance
of two major elements of international expertise. "Know-
ledge of differences" appears to represent specific
country knowledge and "the ability to adapt to them"
operative and comparative international expertise. Adapt-
ability may have a lot to do with personality. But in
the author's opinion it is also a learned quality through
an interplay of pragmatic purposes and intellect. And
adaptability certainly includes a willingness to learn
differences.

While virtually everyone agrees that excellence
in basic business abilities and adaptability are the
critical factors in international business, there is a
considerably wider range of opinion about the edge
that international expertise provides. But again, can we
really afford to discount international expertise? Kobrin
(1984) comments on this question and it seems to help

reinforce the importance of cultural adaptability in international business discussed in the previous chapter.

> There has been a great deal of discussion about restoring American competitiveness abroad in recent years. While the problem is complex, and would entail a thorough analysis that is beyond the scope of this report, in many industries the U.S. technological advantage has narrowed, or even been eliminated. As never before, we face competition from Europe, Japan, and even many of the more advanced developing countries. While managers may be able to get by with minimal international expertise, they may not be comtitive internationally if European and Japanese firms do a better job of adaptation and interaction. I suspect that as the technological gap narrows, that will apply to language also. While many people abroad can deal in English, many would rather not. Furthermore, the market and political-economic information gained as a result of language competency may provide an important competitive advantage (p. 63).

Cultural Training Implications

As discussed in the previous section, sensitivity to cultural differences has a great deal to do with both the quality and the quantity of one's intercultural experience. As Kobrin (1984) says, "many whose international exposure is limited understate both the differences and similarities between the world at large and their own country" (p. 61). It is largely because of one's lack of categories and of psychological mechanisms for dealing with a wide variety of stimuli. In the Bennett (1984) model this is characteristic of the "isolation" stage of "denial," as discussed earlier. In this stage the lack of a category for cultural difference is

due to circumstantial physical isolation, i.e., "limited international exposure."

In Kobrin's (1984) study managers in general acquired country knowledge and international expertise through experience, through business travel and assignment abroad. However, the study revealed that opportunities for expatriate assignments have been reduced significantly for the past decade due largely to the effectiveness of local nationals operating in their own environment. Consequently many Americans can no longer have an option to develop international expertise through extensive experience abroad. And yet the study also shows a dramatic increase in international involvement of those firms in the same period (see the survey results in Table VIII). International involvement includes travel and other international responsibilities and cross-cultural interactions which now become a part of "domestic" jobs. For instance, "plant managers in Michigan find that they need to coordinate producion with their counterparts in Munich and Mexico City and purchase materials from Korea or Taiwan. Product development people and product managers who have not been, and probably will not be, assigned abroad routinely coordinate their activities globally" (p. 51). As Table VIII shows, fifty percent of the firms surveyed said the number of American expatriates abroad had decreased over the last ten years, 26% said it stayed the

same and only 23% reported an increase. On the other
hand, sixty-seven percent of those firms reported an in-
crease in the number of Americans involved internation-
ally during the past decade, whereas only 14% of the firms
noted a decrease in the same time period and 18% claimed

TABLE VIII

THE INTERNATIONALIZATION OF MANAGERS

	% Decreased	% Same	% Increased
Past 10 years:			
Expatriates abroad	50.0	26.1	22.7
Americans Involved Internationally	13.6	18.2	67.0
In the Future:			
Expatriates abroad	40.9	39.8	18.2
Americans Involved Internationall	17.0	25.0	56.8

Source: Kobrin, 1984, p. 52.

no change. The interview results are consistent with the
survey. Seventy-three percent noted a reduction in use of
expatriates, while only 8% claimed an increase; never-
theless, most reported a marked expansion of international
involvement (Kobrin, 1984, p. 52).

Furthermore, these two opposing trends are projected
to continue: a further reduction in expatriates and a
continual increase in international involvement as domestic
positions become more and more internationalized. In other
words, "just as the demand for international expertise
appears to be on the verge of increasing significantly,
its traditional source is drying up" (Kobrin, 1984, p.
55). If that is the case, how do the next generation of
U.S. international managers develop their perceptions of
the importance of cultural sensitivity and international
expertise in the absense of extensive experience abroad?
Two things have to be kept in mind. First, "only a very
small proportion of the managers (Kobrin spoke with) were
committed internationalists to begin with. A great many
developed their interest in, and comited to, internation-
al management as a result of assignments abroad."
Second, "it is not only the expertise itself that has come
from assignments abroad, but the development of individual
perceptions of its importance, of the value of language
and of adaptability" (Kobrin, 1984, p. 64). It seems
that all of this suggests the importance of raising an
awareness of cultural learning that not only sensitizes
one to cultural differences but provides a framework
that helps understand the differences systematically.
(This paper itself is intended to be a process of cultural
learning). In Kobrin's (1984) study it was mentioned re-

peatedly that most of the managers are more concerned with the ability to establish "ground rules" quickly when visiting other countries, i.e., operating and comparative expertise, rather than with in-depth knowledge of conditions in specific countries. The author believes that Chapter III provided an example of how such ground rules can be developed through organizing major differences and similarities between cultures in such categories as cultural assumptions and values (basic conceptualizations of the self, family, society, and the universe), communication styles (verbal and nonverbal processes, including such concepts as time and space), decision-making processes, and so forth. The ability to conceptualize and categorize cultural patterns can be a basis of identifying similarities and differences in political and economic systems between countries. In fact, political and economic systems cannot be fully comprehended without taking into account the cultural context of which they are parts.

As summed up well by Hoopes (1979), "the multicultural person is the person who has learned how to learn culture" (p. 21). Culture can be, and needs to be learned systematically without depending upon the "sink or swim" approach in the past. In reality the costs associated with such a conventional approach may no longer be tolerable for many firms. While no amount of cultural training may be able to help escape one's feelings of frustration

or discomfort in the face of the clash of conflicting
cultural patterns, at least being psychologically pre-
pared for that occurrence can make one more tolerant of
and capable of dealing with difficulties when they arise.
Cultural learning and training can assist in such con-
scious efforts toward the integration of a three-dimen-
sional i.e., cognitive, affective, and behavioral learn-
ing process. Prospective business leaders should start
developing their cultural awareness as early as possible
in their school years, through foreign language training
programs, through foreign student exchange programs,
through Peace Corps assignments and so on. Resources are
available and the magnitude of the experience is beyond
one's imagination.

SUGGESTIONS FOR FUTURE RESEARCH

First of all, one of the major limitations and short-
comings of this study should be noted. Perceptions and
experience of negotiators reported in this study were mostly
those of one side of the negotiation table. By the same
token, the relevant negotiation theories were all derived
from the Western literature. This might undermine the
persuasiveness of this study. Other studies could incor-
porate the following: 1) a review of the relevant literature
written by the Japanese on the Japanese approach to nego-
tiation, to conflict and conflict management; and 2) re-

search on the Japanese managerial perceptions and experience of negotiation and international expertise.

Other possible suggestions would be: 1) a controlled study on U.S.-Japan business negotiation involving those with much intercultural experience and those with limited intercultural exposure, all else equal, to explore the effectiveness and the edge that cultural sensitivity can provide to cross-cultural negotiation skills; and 2) in terms of the selection of effective expatriates abroad, a comparative study on managers who have high intercultural sensitivity with limited international business experience versus managers who have enough international business experience and yet may lack intercultural sensitivity.

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