
Research Reports

The Japanese Negotiation Style: Characteristics of a Distinct Approach

John L. Graham

During the last 15 years, a group of colleagues and I have systematically studied the negotiation styles of business people in 15 countries (17 cultures) — Japan, Korea, Taiwan, China (northern and southern), Hong Kong, the Philippines, Russia, Czechoslovakia, Germany, France, the United Kingdom, Brazil, Mexico, Canada (Anglophones and Francophones), and the United States. More than 1,000 business people have participated in our research.¹ What we have discovered so far in these studies confirms that the Japanese negotiation style is quite distinct.

Methods of Study

The methods of our studies included a combination of interviews, field observations, and behavioral science laboratory simulations, the last using videotaping. The integration of these approaches allows a “triangulation” of our findings — that is, we can compare results across research methods. Indeed, we have found mostly consistency across methods, but we have also discovered discrepancies. For example, when we interviewed Americans who had negotiated with Japanese, their comments were consistent with those of Van Zandt (1970), “Negotiations take much longer.” And, when in the behavioral science laboratory we match American negotiators with Japanese, the negotiations take longer (an average of about 25 minutes for Americans with Americans, 35 minutes for Americans with Japanese). So, in this respect, our findings are consistent for both interviews and laboratory observations. When we talk with Americans who have negotiated with Japanese, universally they describe them as being “poker-faced,” or as displaying no facial expressions. However, in the laboratory simulations, we focused a camera on each person’s face and recorded all facial expressions. We then counted them, finding no difference in the number of facial expressions (smiles and frowns). Apparently, Americans are unable to

John L. Graham is Associate Professor in the Graduate School of Management, University of California, Irvine, Irvine, Calif. 92717-3125.

“read” Japanese expressions, and they wrongly describe Japanese as expressionless. Thus, discrepancies demonstrate the value of balancing and comparing research methods and results.

Preliminary Fieldwork. The preliminary fieldwork consisted of two parts — interviews with experienced executives and observation of actual business negotiations. An open-ended questionnaire was used to interview eight American business people with extensive experience in crosscultural business negotiations. Less structured discussions were held with eight native Japanese executives working in the United States for a variety of Japanese manufacturing and trading companies. In all cases, extensive research notes were taken during and after the interviews. The second step in the fieldwork was observation of business meetings in both the United States and Japan. The meetings observed involved sales personnel from an American capital equipment manufacturer and a variety of clients. I observed eight such transactions with American clients in Southern California and eight with Japanese clients in Tokyo. Again, extensive notes were taken in each case and participants were interviewed afterward. I completed similar interviews and observations in eight of the other countries.

Behavioral Science Laboratory Simulation. The participants in the study included business people from Japan, the United States, and 15 other cultures. The specific numbers of each group are reported in Table 1. All have been members of executive education programs or graduate business classes, and all have at least two years’ business experience in their respective countries. The average age of the 1,014 participants was 35.6 years, and the average work experience was 11.5 years.

We asked participants to play the role of either a buyer or a seller in a negotiation simulation. In the case of the Japanese and Americans, three kinds of interactions were staged: Japanese/Japanese, American/American, and American/Japanese. In the other countries, only intracultural negotiations (that is, Koreans with Koreans, Brazilians with Brazilians, etc.) were conducted. The negotiation game involved bargaining over the prices of three commodities. The game was simple enough to be learned quickly but complex enough to provide usually one-half hour of face-to-face interaction (Kelly, 1966).

Following the simulation, results were recorded and each participant was asked to fill out a questionnaire that included questions about each player’s performance and strategies and his/her opponent’s strategies. The profits attained by individuals in the negotiation exercise constituted the principal performance measure. We used a variety of statistical techniques to compose the results of the several kinds of interactions.

Finally, we videotape-recorded some of the exercises for further analysis. Several trained observers then documented the persuasive tactics negotiators used, as well as a number of nonverbal behaviors (facial expressions, gaze direction, silent periods, etc.). Each of the Japanese and American participants was also asked to observe his/her own interaction and to interpret events and outcomes from his/her own point of view. Each participant’s comments were tape-recorded and transcribed to form retrospective protocols of the interaction. Here, also, we employed a variety of statistical techniques in the analysis, as well as a more inductive, interpretive approach.

Phase One

As can be seen in Table 1, Japan is the most unusual among the 17 groups. The Japanese buyers achieved the highest individual profits (that is, 51.6 out of a possible 80 — see column I). The Japanese pairs (buyers and sellers) also achieved the highest joint profits (95.9 out of a possible 104 — see column III). The difference between buyers' profits and sellers' profits was among the greatest. However, Japanese buyers apparently "took care of" their respective sellers, because only the sellers in northern China, Hong Kong, and Brazil achieved higher profits (see column II). Finally, the statistics in column V provide strong evidence that status/rank plays a crucial role in negotiations between Japanese. Twenty-three percent of the variation in negotiators' profits is explained by the role (buyer or seller) of the negotiator.

These findings dramatically confirm the adage that in Japan the buyer is "kinger" — indeed, "kingest." These results not only are interesting but illustrate an important lesson also. Look at how things work in the United States. Buyers

TABLE 1

Outcomes of Simulated Negotiations

<i>Country (Culture)</i>	I	II	III	IV	V
	<i>Buyers' Profits</i>	<i>Sellers' Profits</i>	<i>Joint Profits (Buyers' + Sellers')</i>	<i>Profit Difference (Buyers' - Sellers')</i>	<i>% Variance Explained by Role (ANOVA R2)</i>
Japan (n = 44)	51.6	44.3	95.9	7.3*	23.2
South Korea (n = 48)	46.8	38.6	85.4	8.2*	14.0
Taiwan (n = 54)	44.3	40.1	84.4	4.2	3.9
China					
northern (Tianjing, n = 40)	45.6	46.7	92.3	-1.1	0.4
southern (Guangzhou, n = 44)	45.7	40.0	85.7	5.7	7.4
Hong Kong (n = 80)	49.2	44.7	93.9	4.5*	5.1
Philippines (n = 76)	44.5	39.5	84.0	5.0	4.8
Russia (n = 56)	45.4	40.5	85.9	4.9	4.8
Czechoslovakia (n = 40)	42.6	41.8	84.4	0.8	0.3
western Germany (n = 44)	42.8	39.0	81.8	3.8	2.3
France (n = 48)	49.0	42.2	91.2	6.8	8.0
United Kingdom (n = 44)	50.0	44.3	94.3	5.7*	11.5
Brazil (n = 78)	47.3	45.5	92.8	1.8	1.0
Mexico (n = 68)	48.6	37.7	86.3	10.9*	17.5
Canada					
Anglophones (n = 74)	47.9	42.5	90.4	5.4*	7.4
Francophones (n = 74)	42.3	44.1	86.4	-1.8	1.0
United States (n = 98)	46.8	43.5	90.3	3.3	2.4
All Groups	46.5	42.1	88.6	4.4	

*Difference is statistically significant (p less than 0.05).

TABLE 2

Verbal Negotiation Tactics (The "What" of Communications)

<i>Bargaining Behaviors and Definitions</i>	<i>Cultures</i> (in each group, n = 6)									
	JPN	KOR	TWN	CHN ^a	RUSS	GRM	FRN	UK	BRZ	USA
Promise. A statement in which the source indicated his intention to provide the target with a reinforcing consequence which source anticipates target will evaluate as pleasant, positive, or rewarding	7*	4	9	6	5	7	5	11	3	8
Threat. Same as promise, except that the reinforcing consequences are thought to be noxious, unpleasant, or punishing.	4	2	2	1	3	3	5	3	2	4
Recommendation. A statement in which the source predicts that a pleasant environmental consequence will occur to the target. Its occurrence is not under source's control	7	1	5	2	4	5	3	6	5	4
Warning. Same as recommendation, except that the consequences are thought to be unpleasant.	2	0	3	1	0	1	3	1	1	1
Reward. A statement by the source that is thought to create pleasant consequences for the target.	1	3	2	1	3	4	3	5	2	2
Punishment. Same as reward, except that the consequences are thought to be unpleasant.	1	5	1	0	1	2	3	0	3	3

TABLE 2 (continued)

Cultures
(in each group, n = 6)

<i>Bargaining Behaviors and Definitions</i>	JPN	KOR	TWN	CHN ^a	RUSS	GRM	FRN	UK	BRZ	USA
Positive normative appeal. A statement in which the source indicates that the target's past, present, or future behavior was or will be in conformity with social norms.	1	1	0	1	0	0	0	0	0	1
Negative normative appeal. Same as positive normative appeal except that the target's behavior is in violation of social norms.	3	2	1	0	0	1	0	1	1	1
Commitment. A statement by the source to the effect that its future bids will not go below or above a certain level.	15	13	9	10	11	9	10	13	8	13
Self-disclosure. A statement in which the source reveals information about itself.	34	36	42	36	40	47	42	39	39	36
Question. A statement in which the source asks the target to reveal information about itself.	20	21	14	34	27	11	18	15	22	20
Command. A statement in which the source suggests that the target perform a certain behavior.	8	13	11	7	7	12	9	9	14	6

*Read "7% of the statements made by Japanese negotiators were promises."

^anorthern China (Tianjin and environs)

do a little better than sellers here, but not much. Americans have little understanding of the Japanese practice of giving complete deference to the needs and wishes of buyers. That's not the way things work in America. American sellers tend to treat American buyers more as equals. And the egalitarian values of American society support this behavior. Moreover, most Americans will, by nature, treat Japanese buyers more frequently as equals. Likewise, as suggested by Nakane (1970) and Graham (1981), American buyers will generally not "take care of" American sellers or Japanese sellers.

Finally, Table 1 gives some indication of how negotiations work in the other countries. Rank and the associated deference given buyers is also important (albeit not as important) in South Korea, Hong Kong, the United Kingdom, English-speaking Canada, and Mexico.

Phase Two

Using the approach detailed in Graham (1985), we studied the verbal behaviors of negotiators in ten of the cultures (six negotiators in each of the ten groups were videotaped). Again, Japanese negotiators proved to be unusual (see Table 2). The numbers in the body of Table 2 are the percentages of statements that were classified into each category. That is, 7 percent of the statements made by Japanese negotiators were promises, 4 percent were threats, 20 percent were questions, and so on. The verbal bargaining behaviors used by the negotiators during the simulations proved to be surprisingly similar across cultures. Negotiations in all ten cultures studied were comprised primarily of information-exchange tactics — questions and self-disclosures. However, it should be noted that once again the Japanese appear on the end of the continuum of self-disclosures. Their 34 percent was the lowest across all ten groups, suggesting that they are the most reticent about giving information.

Reported in Table 3 are the analyses of some linguistic structural aspects and nonverbal behaviors for the ten videotaped groups, as in Graham (1985). While our efforts here merely scratch the surface of these kinds of behavioral analyses, they still provide indications of substantial cultural differences. And again the Japanese are at or next to the end of almost every dimension of behavior listed in Table 3. Their facial gazing and touching are the least among the ten groups. Only the northern Chinese used the words "no" less frequently and only the Russians used more silent periods than did the Japanese.

A broader examination of the data in Tables 2 and 3 reveals a more meaningful conclusion. That is, the variation across cultures is greater when comparing structural aspects of language and nonverbal behaviors than when the verbal content of negotiations is considered. For example, notice the great differences between Japanese and Brazilians in Table 3 vis-à-vis Table 2.

Summary Descriptions

Following are further descriptions of the distinctive aspects of each of the ten cultural groups we have videotaped. Certainly, we cannot draw conclusions about the individual cultures from an analysis of only six business people in each, but the *suggested* cultural differences are worthwhile to consider briefly:

Japan. Consistent with most descriptions of Japanese negotiation behavior in the literature, the results of this analysis suggest their style of interaction to be the least aggressive (or most polite). Threats, commands, and warnings appear

TABLE 3

Structural Aspects of Language and Nonverbal Behaviors ("How" Things Are Said)

	<i>Cultures</i> (in each group, n = 6)									
	JPN	KOR	TWN	CHN ^a	RUSS	GRM	FRN	UK	BRZ	USA
<i>Bargaining Behaviors (per 30 minutes)</i>										
<u>Structural Aspects</u>										
"No's." The number of times the word "no" was used by each negotiator.	1.9	7.4	5.9	1.5	2.3	6.7	11.3	5.4	41.9	4.5
"You's." The number of times the word "you" was used by each negotiator.	31.5	34.2	36.6	26.8	23.6	39.7	70.2	54.8	90.4	54.1
<u>Nonverbal Behaviors</u>										
Silent Periods. The number of conversational gaps of 10 seconds or longer.	2.5	0	0	2.3	3.7	0	1.0	2.5	0	1.7
Conversational Overlaps. Number of interruptions.	6.2	22.0	12.3	17.1	13.3	20.8	20.7	5.3	14.3	5.1
Facial Gazing. Number of minutes negotiators spent looking at opponent's face.	3.9	9.9	19.7	11.1	8.7	10.2	16.0	9.0	15.6	10.0
Touching. Incidents of bargainers touching one another (not including handshaking).	0	0	0	0	0	0	0.1	0	4.7	0

^anorthern China (Tianjin and environs)

to be deemphasized in favor of the more positive promises, recommendations, and commitments. Particularly indicative of their polite conversational style is their infrequent use of “no” and “you” and facial gazing, as well as more frequent silent periods.

Korea. Perhaps one of the more interesting aspects of this study is the contrast of the Asian styles of negotiations. Non-Asians often generalize about the Orient. Our findings demonstrate that this is a mistake. Korean negotiators used considerably more punishments and commands than did the Japanese. Koreans used the word “no” and interrupted more than three times as frequently as the Japanese. Moreover, no silent periods occurred between Korean negotiators.

China (northern). The behaviors of the negotiators from northern China (i.e., in and around Tianjin) are most remarkable in the emphasis on asking questions at 34 percent. Indeed, 70 percent of the statements made by the Chinese negotiators were classified as information exchange tactics. Other aspects of their behavior were quite similar to the Japanese — the use of “no” and “you” and silent periods.

Taiwan. The behavior of the business people in Taiwan was quite different from that in China and Japan, but it was similar to that in Korea. The Chinese on Taiwan were exceptional in the time of facial gazing, on the average almost 20 out of 30 minutes. They asked fewer questions and provided more information (self-disclosures) than did any of the other Asian groups.

Russia. The Russians’ style was quite different from that of any other European group, and, indeed, was quite similar in many respects to the style of the Japanese. They used “no” and “you” infrequently and used the most silent periods of any group. Only the Japanese did less facial gazing, and only the Chinese asked a greater percentage of questions.

Germany. The behaviors of the western Germans are difficult to characterize because they fell toward the center of almost all the continua. However, the Germans were exceptional in the high percentage of self-disclosures at 47 percent and the low percentage of questions at 11 percent.

France. The style of the French negotiators is perhaps the most aggressive of all the groups. In particular, they used the highest percentage of threats and warnings (together, 8 percent). They also used interruptions, facial gazing, and “no” and “you” very frequently compared to the other groups, and one of the French negotiators touched his partner during the simulation.

United Kingdom. The behaviors of the British negotiators are remarkably similar to those of the Americans in all respects.

Brazil. The Brazilian business people, like the French, were quite aggressive. They used the highest percentage of commands of all the groups. On average, the Brazilians said the word “no” 42 times, “you” 90 times, and touched one another on the arm about 5 times during 30 minutes of negotiation. Facial gazing was also high.

United States. Like the Germans and the British, the Americans fell in the middle of most continua. They did interrupt one another less frequently than all the others, but that was their sole distinction.

Phase Three

The results of the final phase of our studies are perhaps the most enlightening. Here, we consider only Japanese and American negotiators, but in much greater detail.

The data for this analysis include the videotapes (three Japanese/Japanese, three American/American, and six Japanese/American dyads), each participants' account of the negotiations, descriptions of three uninvolved observers, and all data previously analyzed and reported. The method is presented below in five stages (see Gumperz, 1979; Erickson, 1976; Graham and Andrews, 1987):

- (1) The first step was to view the videotaped interactions to gain a gestalt or a context-informed understanding of the content. Then, to locate "focal points," notes were made while each tape was being viewed a second time. Focal points were identified by obvious misunderstandings, breakdowns in conversational rhythm, and changes in thematic progression. The principle researcher and two assistants (one of them Japanese) independently identified focal points.
- (2) Next, in a session with individual participants, the tapes were again reviewed, with the participants stopping the tape periodically (at their discretion) to report their "thoughts and feelings at the time of the negotiation." Comments solicited by the researcher were limited to a minimum during these interviews. All participants' comments were tape-recorded, thus providing retrospective protocols for future analysis.
- (3) Informed by the first two stages, specific focal points were selected for in-depth analysis. The criteria of selection included the intrinsic interest of the focal point, its completeness, its theoretical salience or practical salience for participants, and the quality of picture and sound on the tape. These focal points of interaction, as well as two or three minutes of interaction before and after the focal point, were edited onto another tape.
- (4) In the fourth step, the focal points were reviewed repeatedly. Additionally, all relevant data previously collected, including questionnaires, verbal and non-verbal measures, and participant protocols were reviewed. The goal of this inductive form of analysis was to identify the antecedents and consequences of these focal points.
- (5) The final stage of the analysis involved demonstration of the generality of the models determined from the single cases developed in stage four. Here, all 12 tapes from the entire series of interactions were searched for analogous instances of these single cases. In viewing this series of analogous cases, attention was given to those communication forms and functions that had demonstrated structural salience in stage four. When discrepant evidence appeared during this stage, the original case was reexamined and possibly redesigned.

The analyses of the ten focal points selected follow. Included are excerpts from eight of the 12 interactions (no focal points were chosen from four).

Focal Point 1

The first focal point consisted of a gap in the rhythm of conversation between two Japanese participants. This gap was noted by the principal researcher and

specifically commented on by one of the participants. The Japanese seller reported “puzzlement” because the buyer took control of the interaction and described his situation (e.g., company background, product quality, etc.) first, rather than allowing the seller to do so.

This “abnormal” beginning to the Japanese negotiation was the antecedent to the breakdown in conversational rhythm. A search of the rest of the available information indicated some plausible explanations for this circumstance. The Japanese buyer reported that he wanted to talk about one product first, so he took control. It should also be noted that the buyer held a relatively powerful position — the two were well acquainted, the buyer was older, more experienced, and more extroverted (these last three characteristics were measured using questionnaires completed after the negotiation sessions).

The consequences of this abnormal start of the interaction were: (1) the seller reported discomfort with the buyer’s aggressive behavior; (2) the seller reported adjusting his strategy to deal with the buyer’s attack, taking control, agreeing with the buyer’s assessment, and then describing his own situation; and (3) an outcome to this negotiation which consisted of one of the largest gaps between buyer and seller profit levels, with the buyer doing much better.

A search of the other interactions reveals additional instances where negotiations were not begun by Japanese sellers describing background factors and product quality. However, in every case, Japanese participants made unsolicited comments regarding the normal order of topics in a Japanese negotiation. In circumstances similar to those in the negotiation simulation, Japanese appear to have expected that sellers would describe their situation before price discussions began. Alternatively, Americans frequently began the negotiation game with price quotes or price-quote requests.

Typical of crosscultural interactions is the following excerpt from one of the negotiations:

American buyer: “All right, so you want to start out to make the first offer?”

Japanese seller: “First offer? Oh yeah, first, I like to explain these goods to you . . .”

Focal Point 2

The second focal point examined consisted of a series of long silent periods or gaps in the conversation between two Japanese participants. Both participants stopped the tape at this point and made unsolicited comments during the reviews. Additionally, both the principal researcher and the Japanese assistant noted this period in the interaction.

The immediate antecedent to these silent periods was an unacceptable offer made by the seller. The silence was used as a negative response by the buyer. Additionally, a large gap existed between initial offers, and neither participant made concessions on second offers. The buyer rated both himself and his partner as highly exploitive. So, these silent periods apparently resulted from two individualistically oriented bargainers coming to an impasse. Particularly insightful are the comments made by each participant in their respective protocols:

Japanese buyer’s protocol: “That price satisfied me, so I just say okay . . . but I try to get more high profit. I was thinking, silence rather than shaking hands.”

Japanese seller's protocol: "This is his style of negotiation, he doesn't say a word sometimes, he's just thinking about something, I felt a little bit uncomfortable."

The consequence of these silent periods was discomfort for the seller and, eventually, capitulation to the buyer's "negotiation style." Indeed, the buyer made only one counteroffer throughout the game. The buyer achieved significantly higher profits than the seller.

Proof of the generality of this "style of negotiation" is that 13 such silent periods ensued in this interaction — one for as long as 40 seconds. As already noted, such silent periods occurred more frequently in Japanese negotiations than in either American or crosscultural negotiations. Moreover, no silent periods of 25 seconds or more in length were found in American or crosscultural interactions. Although other researchers have reported periods of silence to be a frequent occurrence in everyday Japanese interactions, here, silence was used consciously as a bargaining tactic.

Focal Point 3

The third focal point was an obvious gap in conversational rhythm in a negotiation between two Americans. The principal researcher and the American assistant independently noted the incident. Further, both participants commented on it during the participant reviews.

The break in the conversation immediately followed the buyer's disclosure of information about his utilities for the different products in the game. The buyer, who was much more aggressive in his bargaining strategies (i.e., strong topical control, more facial gazing, more frowns, more extroverted), reported intentionally misinforming the seller about his utilities for the three products. The seller reported confusion and taking time to think rather than responding immediately.

The consequences of this break in conversational rhythm were wholly negative for the seller. The seller eventually capitulated on the issue. The buyer expressed no feeling of being pressured. The buyer attained very high profits in the game. The seller indicated the buyer had more influence in the negotiation. The buyer rated the seller as relatively unattractive.

Regarding the generality of this type of focal point, it can be noted that the same type of thing occurred three more times during the interaction. However, as mentioned previously, silent periods happened less frequently in negotiations involving Americans.

A brief contrast of Focal Points 2 and 3 is worthwhile. In the case of the Japanese, silence was consciously used, typically from a strong position, as an aggressive, persuasive tactic. For Americans, silence seems to have had a negative impact for "the silent one," perhaps because not having a quick and cunning response can be sign of weakness. For Japanese, silences apparently mean, "Take some time to think it over and offer me a better deal," while for Americans it means, "Give me some time to think it over."

Focal Point 4

Obvious discomfort on the part of both participants in a crosscultural interaction marked the fourth focal point. The principal researcher noted the Japanese seller "laughing out of place" and being unusually unresponsive. Both Japanese

and American assistants reported a period of mutual discomfort. Neither negotiator commented on the incident.

The antecedent conditions were relatively complex. The Japanese seller reported discomfort at playing the role of the seller. Further, he indicated that his "poor English" dictated a strategy of listening rather than manipulating. The American buyer's strategy was an aggressive one — "to put the other guy on the defensive." Indeed, the American rated himself as more self-interested and engaged in aggressive, persuasive appeals throughout the interaction.

As a consequence of this combination of strategies, the American did most of the talking. Both players agreed that the American had more influence in the game, and, for the most part, that the American controlled the topic of conversation. However, the difference in outcomes was minimal. Evidently, the American's arguments had little impact. Indeed, the Japanese seller seemed most interested in prices — quantitative information rather than qualitative.

This "tuning out" of qualitative arguments appears to be one way of dealing with language difficulties and was common to at least two other crosscultural interactions.

Focal Point 5

The fifth focal point consisted of a series of interruptions or conversational overlaps during a crosscultural negotiation. The principal researcher noted these incidents, as did both the Japanese and American assistants. The American buyer apologized for his interruptions during the negotiation and specifically commented on them in the protocol.

The antecedents of these turn-taking problems appear to have been mostly cultural differences in signaling when conversational contributions had been concluded. Both the Japanese research assistant and the Japanese participant alluded to language problems. Additionally, the American buyer reported a strategy of letting the Japanese seller "carry the interaction" and "listening to refute." The Japanese seller reported being "puzzled" by some of the American's arguments.

Although the American apologized for interrupting, the turn-taking difficulties became worse as the negotiation progressed. Additionally, the Japanese began to register discomfort in response to the American's interruptions. Even though the American reported letting the Japanese "carry the interaction," he mostly controlled the topic of conversation. A final consequence was a very large difference in outcomes; the American did very well.

Regarding the generality of this type of communication problem, it was noted that interruptions occurred throughout this interaction. Moreover, such serious problems in turn-taking were typical in two of the five other crosscultural interactions.

Focal Point 6

This focal point involved the same participants as the previous one, an American and a Japanese. It is characterized as a definite change in atmosphere in the interaction. The principal researcher and the American assistant noted the change, and both participants commented on it during the reviews.

Previous to the change in atmosphere, the interaction was going smoothly, despite the numerous interruptions. The American buyer reported in the protocol that he was encouraged by the Japanese seller's continual head nodding, reg-

istering agreement and understanding, and that he felt comfortable. However, when the American asked for price quotes, the Japanese responded with the highest possible prices. At this point, the American's affect noticeably changed, and he coolly voiced his negative response. The Japanese quickly responded by offering lower prices, which further annoyed the American. The comments of both, listed in Protocol 1, are particularly insightful.

As a consequence, the American took control and began his persuasive strategies, never returning to the "give-and-take" characteristic of the first half of the negotiation.

In one other crosscultural negotiation, a Japanese seller began with the highest prices. He, too, was greeted with a strong negative response from the American buyer. A review of all the tapes revealed that Japanese made first offers in four of the six crosscultural negotiations. And, on average, they asked for significantly more (higher profit prices) than did the American in their first offers.

Focal Point 7

The seventh focal point is characterized by an obvious misunderstanding between a Japanese seller and an American buyer. All three researchers noted the particular incident.

The principal antecedent was a language problem. The Japanese bargainer said at the beginning of the conversation that he considered himself to be a poor listener of English. The American reported in his protocol that he had set his minimum goals before the start and his strategy was "just sit back" and listen until price negotiations began. Then, he would accept nothing lower than his minimum.

The consequences were an apparent lack of communication throughout the negotiation. A smooth conversational rhythm was never established, although the Japanese reported improving his listening toward the end. The outcome of the interaction was the highest mutual solution and also met the American's goal. The American was rated as very accommodating by the Japanese seller.

The American's response to communication problems was to focus only on the quantitative information. Thus, by limiting the information exchanged, he achieved the lowest profit level of any American buyer in a crosscultural interaction. This kind of response to communication problems — ignoring them and the associated information — was common to at least three of the other crosscultural interactions. (Indeed, a similar situation was described in Focal Point 4.)

Focal Point 8

Here, the Japanese buyer was noticeably uncomfortable at the beginning of the negotiation. Both the principal researcher and the American assistant noted the discomfort. The Japanese participant commented on it in the protocol. The antecedents of this problem were rather obvious. The American seller began with aggressive, persuasive appeals immediately. The Japanese buyer asked the seller to describe his situation first. (See Protocol 2 for details of the interaction.) This aggressive behavior was not anticipated by the Japanese buyer.

The consequences were also rather obvious. The American ignored the Japanese request and continued his attack. Both participants later reported experiencing continuing discomfort during in the interaction and using individualistic bargaining strategies. Each participant rated the other as very exploitive but

Protocol 1 (Focal Point 6)

Transcript and Retrospective Protocol Data from a Crosscultural Interaction

<i>Japanese Seller's Retrospective Comment</i>	<i>10:10:25 (1)</i>	<i>Transcript</i>	<i>American Buyer's Retrospective Comment</i>
I set the highest price for every merchandise because I thought, I felt the necessity of compromising finally, but I thought it was the usual step to set the highest price, the reasonably highest price we have to start the negotiation. I was not sure it hurt the buyer's impression of me or not. Then the buyer can give me an offer from his side.	10:05:40	Am. Buyer: . . . Well, I might ask you then, are there any particular prices that you are interested in charging us?	I thought, "you greedy [expletive]". I wasn't too keen on the remark after trying to take me to the cleaners; then he said, "Well, since that didn't work, I suppose I can admit I can come up with a better deal."
	10:06:03	Jpn. Seller: Um hum, for which product? For trucks. And airplanes, Price I. And for dolls, Price I.	Well, uh, I'm thinking of, uh, the price of the trucks (2), maybe Price I (3).
	10:06:30	Am. Buyer: Okay, well, to be real honest, that wouldn't be advantageous for us at all. . .	Um hum, for which product?
	10:06:55	Am. Buyer: So maybe we can, taking into considerations the factors you're mentioning, and also into consideration that this is the first step to establish a very good business communication with each other. I've also had an instruction from head office to give you, to offer more discount.	For trucks. And airplanes, Price I. And for dolls, Price I.
	10:07:40	Jpn. Seller: (1) Place where participants stopped videotape to make comments. (2) The products involved in this simulation were toy trucks, dolls, and airplanes. (3) Price I is the highest possible price.	Okay, well, to be real honest, that wouldn't be advantageous for us at all. . .

(1) Place where participants stopped videotape to make comments.

(2) The products involved in this simulation were toy trucks, dolls, and airplanes.

(3) Price I is the highest possible price.

did not rate himself so. The outcome of the game was not particularly advantageous for either party as the joint-profit level was below average.

Comments made regarding generality in another "abnormal" negotiation sequence as described in Focal Point 1 hold true here.

Focal Point 9

This focal point occurred later in the same interaction as Focal Point 8 and consisted of an uncomfortable moment identified by the principal investigator, the American assistant, and the Japanese participant. It directly followed the American seller's response to a price reduction request from the Japanese. The

Protocol 2 (Focal Point 8)

Transcript and Retrospective Protocol Data from a Crosscultural Interaction

<i>13:31:45 (1)</i>		<i>Transcript</i>	<i>Japanese Buyer's Retrospective Comment</i>
13:30:45	Am. Seller:	Well, I know that Japan doesn't grow much in the way of fruits (2), like grapefruit, lemons, and oranges. I know you have a very difficult time in getting them into Japan, and I think it would benefit your company greatly if you were to purchase from my company. Since we're here on the West Coast, the shipping costs would be less than if you purchase from a company in Florida or the Midwest, for example, and our . . .	In America, which first to talk about business, buyer or seller?
13:31:09	Jpn. Buyer:	I would try to understand your situation first.	
13:31:15	Am. Seller:	Well, also I know it's difficult. The quality of fruits from other parts of Asia, Southwest Asia, is not very high, and so I think our product is quite good, which is, I'm sure, why you're talking to us, rather than a company down in Australia or Malaysia or Singapore, or something like that . . .	

(1) Place where the Japanese buyer stopped videotape to make comments.

(2) The products involved in this simulation were citrus fruits.

American's comment was, "No, absolutely not . . ." The Japanese responded with an obvious negative affect. Moreover, he commented during the review of the videotapes, "His response was very strong to me." As mentioned, the American's "strong" response resulted from the request by the Japanese for a lower price.

The Japanese buyer admits in the protocol that this particular request was meant to confuse the seller's understanding of the buyer's subjective expected utilities by placing false emphasis on that product.

As a consequence of this incident, the individualistic attitudes referred to in Focal Point 8 seemed to be reinforced.

It was mentioned in a previous section that no difference was found between the number of negative influence behaviors (e.g., threats, warnings, etc.) used by Japanese and Americans. A closer examination of the data reveals an interesting finding. The Japanese bargainers used a higher percentage of negative influence behaviors in intracultural negotiations than did Americans. But, they apparently toned down their use of these behaviors in crosscultural negotiations. Additionally, three Japanese bargainers (including the one referred to here) made unsolicited comments about American frankness and its discomforting effects on them.

Focal Point 10

The final focal point to be considered is really an entire crosscultural interaction. The interaction is a special one because it is the only videotaped negotiation in which no agreement was reached within the one-hour time limit. It is also special because it includes many instances of the various problems already described in other focal points. An obvious language problem existed, which was typified by numerous interruptions, a low percentage of shared smiles, and numerous responses unrelated to questions. The American often used aggressive, persuasive tactics leading to discomfort and annoyance for the Japanese. The American expressed his frustration regarding the lack of responsiveness of the Japanese.

Additionally, another unique problem seems to have compounded all the interactional problems already mentioned. In the discussion regarding Focal Point 6, it was pointed out that Japanese made first offers in four of the six crosscultural interactions and, obviously, in all three intracultural interactions, and that these offers were considerably higher than the Americans' first offers. In the present negotiation, the Japanese seller offered the lowest price of the seven Japanese first offers. He explained his offer in the protocol, "I extend at the first stage the lowest price, so I cannot step back to a lower price." At the same time, the American buyer held some specific expectations about Japanese bargaining behavior. These expectations are manifest in his protocol: "Orientals never quote final prices the first time. . . . Often they lose respect for you, a great deal, if you go after the initial price." With most other Japanese negotiators, this bit of folklore might not have negatively affected his performance, but, given the Japanese seller's comments, both parties were headed for a frustrating experience.

The Japanese had previously expressed feeling self-conscious in the role of a seller to an American client. Additionally, he rated himself as being relatively accommodating. These factors are the only ones available that might explain his unusually low first offer.

Both participants were asked to explain why the negotiation had failed. However, as might be anticipated, the two explanations were very different. The Japanese seller explained it as a difference in approaches to solving the mutual problem. He wrote, "Price negotiation is not same orientation; (1) partner may be based on the price of each product, (2) I try to figure out the total profit." The American stated, "We were both out for ourselves too much and neither of us wanted to give in to the other; I sensed that both he and I would've felt a personal sense of defeat if we didn't get exactly what we wanted." Additionally, he mentioned in the protocol, "I was having trouble deciding whether it was he the person or he the Japanese [i.e., personality or culture] that was causing the delay. He seemed perhaps to be delaying a little more than most Orientals I would have expected, so even for a Japanese person he seemed a little more reticent at discussing hard figures." So, the Japanese described the problem as differences in the decision-making process, while the American attributed it to individual motives and personalities.

Conclusions

In some senses, the Japanese negotiation style was similar to the American style in our findings. Herein lies the opportunity for cooperation across the cultures. However, the primary finding of our studies is that substantial differences also exist. In many ways, the Japanese approach to business negotiations is the most unusual of the 17 cultures we have studied so far. The American approach seems to be less distinct and more of a compromise between other styles.

Cultural differences in negotiation styles are apt to cause misunderstandings between well-meaning business partners. The first step toward improving the effectiveness and efficiency of crosscultural commercial transactions is to become aware that such differences lie not only in *what* is said (content) but in *how* it is said (linguistic structure and nonverbal behaviors) and in the *social context* of the discussions. The initial goal should be to avoid misinterpreting or over interpreting the overt and subtle signals sent by our negotiating counterparts from other countries.

Training and preparation regarding the culturally determined nuances of individual negotiation partners should be the second step toward improving crosscultural negotiations. Certainly, individual personalities influence behaviors at the negotiation table, but so does national culture, and the latter does so in quite predictable ways. Our studies of the Japanese negotiation style have proven to be the basis of useful training programs for Americans working with Japanese. Perhaps the best example is a three-day program in which some 700 managers at Ford Motor Company have participated. The videotapes have been an invaluable medium for communicating cultural differences in these programs. While we do not claim to have all the answers regarding the Japanese negotiation style, our research and the extant literature do provide enough information to allow for the development of successful training programs regarding the Japanese.

But Japan, albeit a crucial one, is just one of our foreign trading partners. More systematic studies of negotiating styles in other countries must be undertaken in the future. Our findings in Phases One and Two just hint at the kinds of problems which systematic study may reveal and document. Participant observations, case studies (e.g., Weiss, 1987), field surveys (e.g., Tung, 1982; Hall and

Hall, 1990), and simulations with videotaping can all provide useful pieces of the pictures of the negotiating styles of our foreign partners and clients.

NOTE

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