

May 2010

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Recommended Citation

Khan, Yoshimitsu (2010) "Tips on Doing Business in Japan," *Global Business Languages*: Vol. 2 , Article 16.
Available at: <http://docs.lib.purdue.edu/gbl/vol2/iss1/16>

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TIPS ON DOING BUSINESS IN JAPAN

This article was originally prepared for a meeting on international business practices held for General Electric Company executives and delivered at Union College. It is intended for American business men and women who have dealings with Japanese companies or other organizations and have had very little or no experience with the culture and social mores of Japan. In order to emphasize the strictures of Japanese manners and etiquette, explanations are made concise and deliberately simple.*

Though the problem of language differences presents an enormous barrier, the problem of differences may present an obstacle just as imposing. Japanese business protocol, behaviors, gestures, gesticulations, greetings, and etiquette are quite different from that of American or Western cultures. I have outlined some of the major differences below, with suggestions on how to overcome the barriers they present.

INTRODUCTION

During the Meiji Restoration about 125 years ago, the Japanese government sent hundreds of former samurai to the United States and Europe. Their mission was to collect the necessary information and skills to modernize Japan.

Similarly, in modern times Japanese companies such as Hitachi, Toshiba, Nissan, Toyota, Sony, Mitsubishi, Nikon, Mitsui, Seiko, and Sanyō, among many others, have been sending their employees to study and do research in American universities for over 30 years. One of their most important gains is simply to have employees with the experience of living in the United States. They have learned how Americans live and

*For those who would like to have more elaborate explanations on many of the subjects regarding Japanese culture and behavior mentioned here, excellent sources are Lebra; Lebra and Lebra; and Shelley, listed in the reference section of this article.

have applied that understanding to making products to sell to the United States. Though it can be an extremely costly venture, they know that it is necessary to learn American ways in order to satisfy American consumers.

Now the proverbial shoe is on the other foot. America needs to cultivate the Japanese market. To do that America needs to recognize, accept, and accommodate itself to the Japanese business milieu.

Japan's cultural identity is as strong as that of any nation in the world. Her closed door policy, which existed from the early 1600s to the middle of the nineteenth century, created an isolated society. Much of the way of doing business in Japan was born and refined during that closed-door period.

MANNERS AND CONDUCT IN BUSINESS

In business, as in other social interactions, Japanese business manners and behaviors are codified and strictly observed. The measure of an individual's quality is gauged by one's manners and etiquette first, rather than by one's achievement in society. The importance of manners in Japan cannot be overemphasized. Japanese manners are so important that one social *faux pas* can overshadow or even obliterate all the other good impressions one attempts to make. Social usage is seen as being closely related to the spirituality of an individual because, in Japan, understanding of spirit is often based upon Confucian ethics. Manner and ceremony are closely linked, and fundamental ethical concepts have not changed. They have been strongly influenced by Confucian ethics and tradition for millennia. The Japanese people still embrace Confucian ideals that emphasize the importance of relationships between family members. These relationships serve as models that extend to the larger society and into business. If you embarrass or disgrace your Japanese counterpart in front of a subordinate, your deal is most likely over. If a Japanese person is embarrassed, often you can expect silence. Silence is generally the signal expressing disapproval of behavior. A Japanese person may still gracefully end the meeting without giving you any hint of their disapproval or dislikes, since one always retains proper manners and ceremony.

HOW THE JAPANESE DEAL

American firms that have been successful in Japan have generally adhered to existing Japanese business practices. When the Japanese be-

gan to sell cars in the United States in the early sixties, they were trained to speak English and learned American business practices. When American companies go to Japan, they realize that negotiating and finalizing a deal are carried out very differently. To the Japanese, personal rapport is very important to establish a good business relationship and to conclude a business transaction. A Japanese person wants to know his business counterpart well as an individual before committing to start a deal.

INDIVIDUALISM VERSUS COLLECTIVISM

In the West, individualism is often associated with better creativity and productivity. The Japanese tend to be collectivists or group oriented. I am not saying which is the better concept. Those two different lifestyles simply do exist. In Japan, the family and the place of employment are interdependent. For the Japanese, group harmony is extremely important, and discipline is placed high among personal and social values. Individuals are careful not to stand out. Business decisions are not made by any one or two responsible individuals, but are almost always made in a consensual way by everyone concerned through the chain of command, from the top to the bottom.

HIERARCHY

Unequal social status, particularly in relation to one's age and seniority, is inevitably important in a Confucian society. In society and business, the status of any Japanese individual is clearly defined. This status prescribes how one behaves and speaks. Upon meeting an individual, it is therefore important to know his or her position within the institution. The ritual exchange of business cards serves that purpose very nicely.

For the Japanese, it is extremely important to address you properly. They want to know where you stand in relation to themselves. To know your position is important, since they use the level of Japanese suitable for your position among the Japanese in their company. The business card helps Japanese people to establish their own position in relation to you. Without establishing this relative social relationship, a meeting or conversation becomes uncomfortable. The Japanese organization usually tries to arrange your meeting with a person of equal status so that they can use a comfortable level of language.

BUSINESS CARDS (*MEISHI*)

The ceremonial exchange of name cards commences a business meeting. In general, it is safe to say that you will need a business card whenever you meet a person in a business or professional setting. Your business card should look fresh. It may be printed in English on one side and Japanese on the other. Your title should be included. Give and receive business cards ceremoniously using both hands to extend the card to the recipient. Your elbows should be placed close to your sides.

CLOTHING

For business, men wear conservative suits, most often dark blue, with a white shirt and a conservative tie. The appearance is much like a uniform. It is safe for a woman to wear a suit, a dress, or a skirt and blouse. A woman may wear pants for business if they are part of a well-tailored pantsuit. Formality is important in Japan, since the Japanese feel that formality is linked to respect as well as to aesthetics. In the first business meeting, men are expected to wear a tie. If your Japanese counterpart is not wearing a tie, you could, of course, take yours off. Conformity is prized in Japan because it is safe and predictable, taking place without words and signifying a kind of agreement.

AT THE COMPANY BEFORE MEETING YOUR CLIENT

After you have been received and taken into a guest parlor by a receptionist, you can take your coat off and hold it until it is taken from you or you are offered a place to hang it. A receptionist will immediately contact the person you wish to meet. Generally, your client or business counterpart will not let you wait more than a few minutes unless s/he happens to be making an urgent phone call. The only thing the receptionist will say to you will be “*Irassaimase*” [“You are welcome”]. She (usually a female) serves tea if your wait is more than a few minutes. You are not expected to hold a conversation with the receptionist. Casual conversation with her is not expected, except for a possible comment on the weather. Her task here is to serve tea gracefully. She bows and leaves the waiting room by saying something like “*Shôshô omachikudasai!*” [“Please wait for a moment”]. In a large company you probably will not see her again.

GREETINGS

You may greet the Japanese with a gentle bow in silence, although bowing is not expected from an American who does not speak Japanese. If the Japanese offers a hand, you may shake and bow simultaneously. Otherwise, a bow will suffice. The younger person generally bows lower. This “ceremony” is a very important aspect of Confucian society. Since the Japanese may feel uncomfortable with the “imitation” of a Japanese ritual when it is done while speaking in English, it may be best not to speak in English while bowing.

PERSON’S NAMES AND TITLES

Do not use a Japanese person’s first name. It is egregiously impolite to be so familiar. Call a Japanese person by his or her last name suffixed by *-san* (meaning Mr., Mrs., Miss, or Ms.), for example, Suzuki-san (meaning Mr. Suzuki, Miss Suzuki, etc.). Do not put the suffix *-san* after your own last name, because it is simply not done. The *-san* suffix is an honorific title, extending such a courtesy to yourself sounds silly or unsophisticated. Use your counterparts’ last names until they start using your first name. Even then, affix the *-san* to the first name.

LANGUAGE

Large Japanese companies have a few people who are assigned for negotiations in English, and they usually have some English speaking experience abroad. But you should remember that the two languages are so different that communication is not always smooth. The Japanese negotiators may have difficulty expressing their view, but they usually understand how you think better than you imagine.

It is advantageous to use an interpreter. It will make the Japanese team feel more comfortable dealing with you and will give you the advantage of doing business in the customer’s language.

DO NOT SAY “NO”

Your Japanese business counterpart is fully aware that a disagreement must be turned into a mutually beneficial agreement. The Japanese do not easily say “No” unless they are speaking of something factually negative.

Japanese business people avoid saying “No” directly, because it is considered too blatantly harsh and could disturb the customer’s feelings. The Japanese are very careful not to hurt people’s feeling. For the Japanese, in general, harmony is the goal of interaction. If a response can be made without using the word “No,” things may work out better and faster.

SITTING

At formal meetings, it is usually better not to cross your legs, especially in the presence of a person of higher rank. Crossing of legs is not done in a traditional Japanese meeting. You may only cross your legs when signalled by your Japanese business counterpart crossing his legs. There is a definite, proper chair-sitting style. For men, feet should be apart slightly and the back straight. For women, knees should be together with the back straight. One should not lean on the back of the chair.

PERSONAL INTERACTIONS

Image and appearance are principal concerns for any Japanese company. Referred to as *tatemae* [policy, facade, image, etc.], it is important in achieving social harmony. The term *hon’ne*, on the other hand, indicates “true meaning,” which is the real intention of the individual or the group. *Tatemae* is constantly cultivated in order to bring the *hon’ne* [real intention] forward in a subtle manner. These social practices associated with *tatemae* should not be treated as fake or inscrutable. *Tatemae* is normative cordiality developed and retained for the sake of predictable personal interactions.

Personal connections are highly cultivated and valued in Japan. It cannot be overemphasized that punctuality, politeness, and proper appearance are very important. Personal appearance, disposition, mannerisms, and manner of speech are often more important than one’s academic background or achievement. When a Japanese counterpart asks something totally irrelevant to the business at hand, he wants to discover the character of the individual with whom he is dealing.

There is *tatemae* to one’s products as well. In order to sell a product in Japan today, it must be of high quality and user friendly. If it is food that a US firm is exporting to Japan, the food must look good and be agreeable to the Japanese taste.

EYE CONTACT

As tradition dictates, if a meeting is conducted with a “higher ranking” business person, a Japanese business person will not usually look at the higher ranking person in the eyes. They often look at the person of higher rank around his/her neck or shoulder.

PASSING IN FRONT OF A PERSON

When a Japanese needs to pass in front of a person in a social or business setting, he extends his right, open hand and bends his arm slightly at the elbow in front of him, indicating his intended path. His body is also slightly bent forward. Americans should also always employ this posture when passing.

GIFT GIVING

Gift giving is an important part of business. Note that gift giving is always reciprocated in some form. But do not seek to reciprocate with exactly the same monetary amount spent on a gift. Fifty-fifty reciprocity is not required. This inequality is the sign of a continued relationship. You can go lower or higher depending upon how you feel about the relationship. Ambiguity is better than perfect reciprocation.

Gift exchange is very common among Japanese business people. If you receive a wrapped gift in a formal visit, do not open it at the site where the gift was given. The Japanese traditionally do not open presents in front of the giver. However, there are times when the Japanese giver will open the gift as he gives the present, or he will suggest that the recipient opens it. Then, of course, you should do so.

When one makes a trip to a distant place, it is very common that the person will bring back to one’s immediate colleagues a token gift. If you know you are meeting someone in Japan, it is a good idea that you bring something from your company. Special attention should be given that the gift is nicely wrapped. If you are wondering what is best to bring, something unique to where you live is usually well appreciated. It is a good idea to have some money allotted for gift giving from your company. It is essential to bring a gift to those you will meet more than once. Key persons may receive something special. Spend enough money for those who will take care of you while you stay in Japan. Generally, they will treat you handsomely as a business guest.

If your business with a Japanese company has a future, it is a good idea to bring or send an *ochûgen* [annual summer gift given in July or early August] to the department you are dealing with, provided that your meeting takes place in summer or autumn. This is another reminder that you care to continue business. The *oseibo* gift exchange comes in December. These *ochûgen* and *oseibo* gift exchanges are very important in business and other social relationships.

Cash is also given as a gift for certain celebrations or as a token of sympathy for a misfortune. The amount should be in keeping with your position, status, and feeling. Cash as a gift should be wrapped in folded paper and placed in an envelope. Do not give any unwrapped money. It is considered rude to give “naked” cash in non-business affairs. This is a lingering practice from Tokugawa Japan when samurai were rewarded in stipends of rice rather than money.

ENTERTAINMENT

Business meetings often continue on to evening entertainment. You should be aware that some of the conversation after hours can be more important than the formal talks during the day. This is often the time you can find out what your future with a Japanese company holds. This practice may be observed in the US as well, but it is more overt in Japan.

Japanese company negotiators will take you out for a fancy dinner, to one of the best restaurants in town. The company expense account takes care of everybody for the evening. You should relax and enjoy. You can try your Japanese there, since in this setting it is perfectly acceptable to make many mistakes. Your hosts will probably appreciate your trying to learn things Japanese or to speak Japanese. Usually, reciprocation is not required while you are on the same business trip in Japan. But, when your business partners from Japan come to visit you in the States, make sure they are treated well during their entire stay. Remember how you were treated in Japan.

DINING

At most of the better Japanese-style restaurants, you first will be served (green) tea and a hot or cold towel (*oshibori*) to clean your hands. Japanese people always utter the ceremonial expression “itadakimasu” [“I will humbly accept this food!”] as they pick up their chopsticks or

before they begin to eat. In a fancy *tatami*-mat style restaurant, you will sit on a pillow (*zabuton*) on the floor. Men sit cross-legged. Women sit with legs folded under and feet pointing in. This is a very difficult position for most inexperienced women to maintain for very long. If you find yourself in this situation, you may acceptably sit on one hip, legs together and folded back to one side. Your chopsticks are placed on a chopstick-rest horizontally about two inches away from the edge of the table in front of you. If you feel uncomfortable with chopsticks, by all means request a fork. It is perfectly acceptable. If you are eating rice out of your rice bowl, hold the bowl close to your mouth. Do not eat rice leaving the rice bowl on the table. Do not cup the rice bowl in your palm. It should be held with your left thumb on the lip edge of your rice bowl and the index and middle fingers lifting up from the bottom. Never stick chopsticks perpendicularly in your rice bowl. This is done only when rice is religiously offered to the deceased. You may rest your chopsticks (*ohashi*) horizontally on the edge of the bowl after you finish eating. When eating Japanese-style noodles, it is expected that one slurp and make some noise. When one finishes a meal, the ceremonial expression “*gochisōsama*” [“It was a treat!”] is uttered. Memorize these expressions, as they will take you far. After a meal, the use of a toothpick at a Japanese-style restaurant or a person’s home was once acceptable. Many do not do this anymore for esthetic or hygienic reasons. Do not use one even if you see Japanese patrons doing it. Japanese cover their mouth with the left hand as they use a toothpick. In a Japanese-style restaurant, a meal ends with (green) tea, but one may request tea anytime during the meal.

PATIENCE

Your products are carefully scrutinized in Japan. Long term commitment in the Japanese market is extremely important in order to build trust in customers. Fine tuning of a product takes time but it is necessary to survive in the Japanese market. Patience and perseverance are considered to be moral virtues in the Confucian system.

As we have seen with the importance of *tatemaie* in Japan, presentation is a serious matter. A cultivated esthetic sense is considered a moral virtue. The Japanese go for balance and harmony even in packaging. This is easily observed in the presentation of foods at a Japanese table. Matching sets of dishes are used only for foreign foods. A Japanese cook

tries to use a plate or bowl most harmonious with the particular food it contains. Because the compatibility of quality and appearance matters a great deal to the Japanese, elegant presentation in business speaks volumes about the product and its purveyor.

ON THE TELEPHONE

Telephone manners are also important in Japan. The company secretary who answers your telephone call will be using extremely polite language. Phone etiquette in business is taken seriously and with utmost caution. The quality of a Japanese company is often judged by how the employees deal with outsiders. Training in telephone manners is an important part of any new employee's orientation program. Speaking of private matters on the telephone is naturally discouraged.

HOTEL ACCOMMODATION

Your company's image is also important. Do not economize on hotel accommodations, but go to a good hotel. For the status-sensitive Japanese business world, it is more agreeable to see that you are well taken care of by your own company. They may consider that where you stay also reflects on their own image.

TRANSPORTATION

Public transportation is efficient, clean, and convenient. The otherwise uncharacteristic pushing and shoving into trains have been the way of life in Japan's major cities during rush hours since the end of the War. A Japanese company may offer you a chauffeur driven car to your hotel. Accept it graciously. It is paid for by the company's reception account. Plan to return to your hotel by eleven if you use public transportation. The last buses and trains leave a little before midnight wherever you are.

HANDKERCHIEF AND TISSUE

Always carry a handkerchief and a tissue packet in Japan. Paper may not be supplied in restrooms. Avoid blowing your nose with your handkerchief; this serves, instead, as your towel. Nose blowing is a private activity to be done with your body turned away from your associates.

CONCLUSION

As the commercial relationships between the US and Japan are becoming more and more complex and intricate, it becomes more important to know who the Japanese are and how they behave in business and in daily life. It is time that American colleges and commerce spent more effort in training Americans to understand what underlies social structure and day-to-day activities of Japan. Japan will, arguably, continue to be one of the most significant economies in the first quarter of the twenty-first century. It is quite obvious that America needs more young people who are trained in Japanese language and culture. Mutual understanding can only contribute to avoiding the many potential stumbling blocks and smoothing the way to mutual success.

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