Japanese business culture

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Why is culture important?

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A novel approach

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Techniques for communicating effectively with Japanese partners

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Challenges - from an EU perspective

- *"It's very challenging to get clear explanations and answers".*
- *"It's very difficult to discuss hard topics".*
- *Is everything being said and communicated? I doubt it.*
- *"Once we have made our presentation and leave, we honestly don't know what is going to happen now".*
- *It appears as if our contacts have no clear mandates. Are they the real decision makers?*

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The Japanese perspective

- *Too many meetings and too much talking.*
- *They speak their own individual opinion and thoughts.*
- *They try to make hasty and sudden decisions during meetings.*
- *We need preparation and understanding.*
- *Meetings should follow agenda very strictly.*
- *No surprises, please!*

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What is 'good communication'?

Netherlands
USA
Denmark
Japan

Communication
Low context

Communication
High context

(Meyer, 2014)

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What is 'good communication'?

- Europeans typically think that the Japanese avoid direct discussion of key points.
- But in Japanese eyes Europeans try to make a decision by isolating a single factor and ignore significant interdependencies!

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What is 'good communication'?

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What is 'good communication'?

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Japanese advice

'How to improve the efficiency of communication and meetings?'

85% of all Japanese respondents replied:

事前準備、事前通知、事前理解

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Advice

Seek pre-alignment with your Japanese partner to enhance meeting efficiency

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Enhancing the effectiveness of meetings

EUROPEAN EXPECTATION: MEETING MEETING

JAPANESE EXPECTATION: Pre-alignment MEETING Follow-up

"When to discuss what – with whom and how"
differs markedly in Japan and the West.
This is the cause of ineffective communication
- not the content itself.

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Conclusion and key recommendation

European business people and their Japanese counterparts have strikingly divergent assumptions about the nature of 'good communication.'

- Seek pre-alignment with your Japanese partner to enhance efficiency.

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How to navigate and influence decision-making processes in Japanese organisations

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Challenges – from a European perspective

- *It's difficult to know if we are in agreement.*
- *No decisions are being made. This makes things very frustrating.*
- *The decision-making structure is very ambiguous.*
- *Our partner's company is like a black box - we have no idea what is happening within it.*
- *What is happening behind the curtain?*
- *I honestly don't know who the key people are.*

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Challenges – from a European perspective

No 1. question: *Who are the key decision-makers and key stakeholders?*

www.EUbusinessinJapan.eu

Japanese-European M&As:
Cross-cultural challenges
and keys to post-M&A success

Martin Glisby and Nigel J. Holden

August 2019

*'This is the **wrong question** to ask. In Japanese organisations, it is not about identifying key decision-makers and stakeholders; rather it is a question of understanding a complex and institutionalised system'*

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Challenges - from a Japanese perspective

- *There are several layers that need to be involved.*
- *Everyone must agree!*
- *It takes time.*
- *We use the Ringi system.*
- *Foreign colleagues try to make decisions or action plans during meetings, but we cannot.*

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Timing

In Japan, business meetings are more about *decision confirmation* than *decision making*!

The actual decision-making processes lie before the business meeting.

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Advice: Apply the Japanese practice of 'nemawashi'

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Advice: Feed the Japanese 'ringi' process

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Contrasting approaches

But…is this really different from our own decision-making processes and communication in general?

How is it different?

Survey 2015:
85% of Japanese staff ask for 'pre-meeting preparation and agreement'.

Survey 2015: Yes…
60% of Japanese staff indicate that the 'decision-making process' is where they feel the biggest cultural difference!

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Conclusion and recommendations

'In Japanese organisations, it is not about identifying key decision-makers and stakeholders; rather it is a question of understanding a complex and institutionalised system'

- Apply the Japanese practice of *nemawashi*
- Seek pre-alignment with your business partner
- Feed the Japanese *ringi* process or alternative system or routines in place for decision making in your Japanese counterparts organisation.

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Q&A

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