# Concepts and Dialogues across Shifting Spaces in Intercultural Business

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Edited by

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# INTRODUCTION

*Concepts and Dialogues across Shifting Spaces in Intercultural Business* explores western and non-western, northern and southern epistemologies (Santos and Meneses, 2010), both conventional and alternative, in order to withstand independent, sustainable and critical methodologies for intercultural business. By articulating concepts, theories, structures, performances and aesthetics, across different cultures and communication channels, the networks of cultural codes and practices emerge and are critically observed, thus blurring conceptual frontiers and challenging customary criteria of legitimation.

This book includes contributions that focus on expressions of contemporary mutability, on contexts, interpretations, identities, ideologies and subjectivities inherent to the development of relations between business companies, nations and communities. The volume also explores how the promotion, marketing and branding of cultural heritage has led to the development of thriving economic strategies, e.g. through tourism and the creative industries. Widespread mobility, along with the growing interest for cultural heritage (see the case of cultural tourism) and the desire for authentic experiences, have encouraged the contact between different cultures, i.e., have fostered intercultural flows. The challenge of this view resides precisely on how culture-based initiatives can be used to boost the creation of business opportunities and enhance added value to the economy.

Throughout the contemporary global market, the many languages of intercultural communication play a key role in building successful business ventures. The use of context analysis methodologies, as well as the measurement of cultural variables in a business environment, enhance intercultural understanding, in line with the new paths of the world economy. Intercultural issues are present in all territories and every business is somehow the subject and the object of intercultural exchanges, needing both to integrate and to be integrated. This world in constant mutation, that seems to live under a kaleidoscopic dynamic, requires business agents who are interculturally competent. This means that those business agents are: a) able to communicate with partners from other cultures in a way that earns their respect and trust; b) equipped to encourage cooperation and productivity

across borders; c) capable of adapting their technical, professional and personal skills to local conditions and constraints; d) adjustable and generally at ease with/in different cultures.

In this book, intercultural studies reach well beyond the mere catalogue of alleged national characteristics and the standard approach to the negative implications of cultural differences. Instead, these chapters focus on the sharing of knowledge between cultures, making the most of both their similarities and differences, within the diverse framework of global business. Culture is addressed as a profitable commodity, as an asset for any ambitious company willing to expand, as a tool and object of business and economic growth. In this perspective, interdisciplinary knowledge about the theories and practices of intercultural studies assumes a perspective of self- and hetero-knowledge, a critical perspective that is also aware of the new routes of economic expansion. This approach pays as much attention to the centres from which the cultural matrices once emanated as to the contemporary postcolonial peripheries (or new centres), bearing in mind that centre and periphery are nowadays interchangeable concepts in constant renegotiation.

The many purposes of the chapters here compiled include analysing the relationship between culture, communication, society, economy, and political context; the ability to assess, adapt and (trans)create information across cultural borders; the implementation of differentiated business strategies based on non-standard cultural knowledge; the challenges of communicating between different business cultures; the development of culturally aware, ethical and sustainable business; the understanding of local practices, values and regulations, their opportunities and obstacles within the global business environment.

*Concepts and Dialogues across Shifting Spaces in Intercultural Business* opens with a reflection on intercultural negotiations between Japan and the United States of America. Based upon interviews and surveys conducted among Japanese and American business agents, with a wide experience in transactions between those two countries, “Intercultural Negotiations between Japanese and American Businesspeople: Conducting mutually beneficial business” examines the differing cultural values implicit in the responses obtained and the lessons drawn from experience. Successful businesspeople carefully plan before a meeting, take a deep insight into changing business alliances and power relations, and focus on fulfilling the other party’s needs. Also, they expand their behavioral repertoire by

incorporating one another's strengths, such as American analytical ways of thinking and Japanese holistic ways of thinking, thus achieving intercultural competence.

Along with experience, education and learning are also key words for interculturally effective business innovation and sustainable development. However, the Covid-19 crisis has led us to rethink the ways in which we relate to each other and understand economic, social, and environmental development. Education for sustainability, based on the acquisition of both entrepreneurial and citizenship skills, allows us to promote the creation of innovative business and social projects. "A New Insight into Business Innovation and Sustainable Development: The role of education" argues that intercultural competence does not fragment knowledge but, instead, supports the connection between different domains of science and business, in a globalized reality where all human beings are more and more confronted with similar challenges. Therefore, in order to reach a truly inclusive education, intercultural principles must always be present.

The two following chapters explore the growing need for intercultural competence in two different professional and business contexts. Intercultural competence implies the practice of effective communication skills as much as the awareness of cultural and linguistic diversity. Within linguistic diversity – and the respective impact on intercultural communication skills – one must include speech-language pathologies and their therapies. "Intercultural Competence, Communication and Education: The speech-language pathologist/therapist's (SLP/T) intervention" discusses how these professionals' role is crucial for improving human communication, increasing cultural know-how, and diversifying the profession by developing intercultural procedures. In another field, "Marketing Mix for Sustainable Cultural Industries" explores the set of variables that must be considered by companies when formulating their intercultural communication, marketing and commercialization strategies. Specifically, the cultural and creative industries – due to their growing impact over economy, culture, environment and society – should implement strategies that guarantee a balance of these four factors, in order to promote the sustainable development of the territory. At the same time, as the significance of the creative economy continues to grow, vital synergies with tourism are emerging, with a considerable potential for the development of new products, experiences and markets (OECD, 2014). These new links are driving a shift from conventional models of cultural tourism to new models of creative tourism based on tangible and intangible heritage and contemporary creativity.

Tourism is one of the biggest vehicles for intercultural communication nowadays. But instead of seeking a utopian communion between hosts and guests from different cultures, tourism should recognize that difference is actually an opportunity to promote and create value out of cultural variety. Experiencing difference is a fundamental motivation for tourism as an intercultural practice, for the satisfaction of clients, and for sustainable innovation led by culturally-aware managers and promoters. The next chapters approach the topic of tourism as a global intercultural business, resorting to notions of identity, power, heritage, discourse, representation and territory, among other concepts employed by intercultural studies.

Analyzing tourism as a global cultural phenomenon means not only thinking about it in terms of the world's economy, but also regarding the transformation of geographic spaces into significant places, within the ever-polemic concept of globalization, often understood as a manifestation of western dominance. "Tourism as Intercultural Business: Locating concepts and questioning identities" addresses matters of ethics, power and cultural hegemony, while considering the opportunities and challenges of tourism as an intercultural business. Opportunities include the engagement of local communities in the protection of cultural heritage, as well as the enhancement of sustainable tourism, with an impact on employment, poverty reduction, environmental protection and the general preservation of authenticity in culture and traditions. By recognizing the value of different sections of the community, cultural resources and traditions that could otherwise be seen as ordinary become exceptional. And the exceptional is what tourists seek, as opposed to the commonplace routine of everyday life.

It is evident that tourism is a fundamental sector of the global economy, but the Covid-19 pandemic has reverted this whole situation. Therefore, discussions about the different types of value involved in tourism-related goods and services have to be carried out within the context of the current 'viral society'. "The Value of Products and Services in Tourism: The case of viral society" understands this unprecedented emerging paradigm of virulent social formations in terms of societal processes, such as the consecutive confinements, in different spaces and times. The value of goods and services is here discussed in articulation with the analysis of various historical types of value, the role of information and knowledge about consumption, the current conjuncture, the (re)production of new social mobilities, and the informative-textual value of products and services in the tourism industry, before concluding with the hypothesis of an alternative mode of de-confinement through 'social remobilities'.

Cultural heritage plays an essential role in the cooperation between regions and countries and in the creation of new types of business in the sector of tourism. Cultural entrepreneurship accounts for a growing percentage of countries' GDPs and labour force, and plays a leading role in retaining local populations, preserving cultural heritage and contributing to cultural understanding. "Using Cultural Heritage to Create Business Opportunities: Successful cases from France, Germany and Spain" analyses case-studies from three European countries that seem to embody what could be described as the process of branding cultural identity. In these examples, the symbolic value of culture is commodified, more or less standardised, in order to meet the general demand for some degree of authenticity, identity or alterity, with the potential to attract tourism. Local communities are at the heart of these case studies, combining static and simple stereotypes with complex and heterogeneous identities. Oktoberfest, Puy du Fou and Tomatina may be considered symbolic icons of German, French and Spanish cultures, respectively, but in reality they are mere illustrations of a regional segment of those cultures. Nevertheless, as those products appear to condense a standard cultural representation, they have been commodified and successfully marketed as tourist assets for an international diverse audience.

The chapters "Translating the Culture of the Ribeira Sacra's Viticultural Business: An intercultural dialogue" and "Underwater Cultural Heritage as a Blue Tourism Driver: A pilot project from littoral Alentejo, Portugal" analyse other examples of thriving business opportunities in heritage-related cultural tourism. Although the wine business is centuries-old, in recent times harvesting grapes and many other practices related to wine production in general have become trendy activities in tourism. "Translating the Culture of the Ribeira Sacra's Viticultural Business" combines the business of wine, translation studies and cultural transfer in advertising, in order to perform a deep analysis of the bilingual Spanish-English online catalogue of the Ribeira Sacra (Galicia, Spain) region. The sea and the coastline areas are also driving forces of economy. For this reason, coastal and maritime tourism, also called Blue Tourism, is part of the EU's blue growth strategy and constitutes one of the most important sectors of the blue economy, being the largest in terms of employment and accounting for one third of the economy linked to the sea. Within the frame of the United Nations' decade of ocean science for sustainable development, "Underwater Cultural Heritage as a Blue Tourism Driver" explores an on-going pilot project developed in littoral Alentejo, on the Southwest coast of Portugal, as an alternative approach to using underwater cultural heritage as a driver for blue tourism, sea sustainability and public awareness.

All these case studies prove that, in the contemporary business context, companies have no chance but to remain open to an intercultural dialogue with partners and clients from all over the globe and from the most diverse – and often unexpected – sectors. In order to accomplish this goal successfully, strong communication skills accompanied by a deep cultural understanding are the key. "Bridging the Gap: The importance of interculturality in business relations" discusses how business agents must stop looking at cultural differences as an obstacle and should start seeing them as competitive advantages instead.

Developing intercultural practices and skills in business implies a special attention to national and international legal regulations, as much as to ethical values in general, from universal human rights to the values and traditions that regulate the everyday life of a specific community. The challenges of intercultural dialogue and the need for companies to comply with human rights are highlighted in "Intercultural Dialogue in Business: Mutual benefits and human rights". Although religion and politics often constrain a culture's codes of conduct, the image of a company that invests in social and environmental projects, and that respects intercultural diversity and human rights, is always positively affected. As large corporations increasingly play a political role in the global agenda, respect for human rights and a true intercultural focus provide a competitive advantage in the international marketplace.

"Audit Performance and Independence: A cultural approach between Latin and Nordic countries" discusses the many ways in which the cultural framework commonly associated with a country may impact on the development and performance of any business. To reach this goal, corporate governance is used as an example of good practices that may help organisations prevent fraud, considered from the perspective of financial engineering. Financial frauds have undermined the public opinion's trust in the auditor as well as the general confidence in business companies, and have also shown the lack of independence of the different players at stake, including top managers, auditors and accounting professionals. As an immediate consequence, international institutions issued ethical and professional guidelines for the reinforcement of the organisations' internal control. However, institutions responsible for the supervision of auditors and listed companies, such as the Portuguese Stock Commission, suffered a significant amount of pressure and underwent serious conflicts of interests. This chapter considers examples not only from Portugal but also from Nordic countries such as Norway, Sweden and Finland, because ethical

differences are commonly associated with the cultural traits of each country, and this has an impact on the prerequisite of independence that characterizes auditing worldwide.

Relying solely on the role of institutional investors as the only agents capable of promoting an evolution in the paradigm of business may not always be effective. The role of private law is also crucial in order to enhance the development of the international business environment, especially as far as the demand for corporate purpose is concerned. "The New Paradigm of the Corporation: A comparative approach between law and business" describes how a significant movement sustaining a change in the understanding of corporate purpose has emerged worldwide, over the last few years. The movement involves academics, CEOs and policy makers from many different countries and rests upon the idea of purpose. It argues – against Friedman's doctrine of maximization of shareholders' value as the sole intent of a company – that the purpose of a company should consider the interests of those who interact with it, such as creditors, suppliers, workers, customers and society as a whole. Therefore, and in line with other chapters in this book, "The new paradigm of the corporation" sustains that the purpose of a business company should include social and intercultural concerns as well.

The chapters collected in *Concepts and Dialogues across Shifting Spaces in Intercultural Business* seek to understand the international context under a theoretical and empirical methodology in line with the demands of a diverse and inclusive worldwide market. The understanding of culture – both one's own and the 'other's' culture – contributes to the construction of sustainable, socially responsible companies, capable of being integrated into (and of integrating) the multiple cultures of the global diaspora. By combining intercultural studies with research areas such as economics, communication, politics, history, management, and law, this book allows for a better understanding of the complex environment that underlies the 21st century business world.

*Concepts and Dialogues across Shifting Spaces in Intercultural Business* is the result of the research conducted by the guest-editor at the Centre for Intercultural Studies (www.iscap.ipp.pt/cei) of ISCAP, the Business School of the Polytechnic of Porto – P.PORTO. This book also results from the wide international network and the ground-breaking educational practices developed along the years at the Master's Program in Intercultural Studies for Business of ISCAP-P.PORTO. The guest-editor dedicates this book to

her students at ISCAP-P.PORTO, for their courage, resilience and unyielding commitment to work during the pandemic crisis.

Clara Sarmento
Porto, September 2021

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# CHAPTER 1

# INTERCULTURAL NEGOTIATION BETWEEN JAPANESE AND AMERICAN BUSINESSPEOPLE: CONDUCTING MUTUALLY BENEFICIAL BUSINESS

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## 1. Introduction

Business is becoming more and more global at an astonishing speed, and negotiation plays an integral role, not only in business transactions with other companies, but also in business procedures within a company. Negotiation is commonly defined as the process by which people with conflicting interests produce certain outcomes through dialog (Sakuma 2011, 13). However, it is never an easy job to integrate conflicting interests and bring negotiation to a successful completion, especially in intercultural negotiation, a very complex activity involving many cultural and situational factors. Particularly important cultural differences to understand in negotiation are collectivism versus individualism, hierarchy versus egalitarianism and high-context cultures versus low-context cultures (Brett 2007; Chaney and Martin 2014; Gesteland 2012; Lustig and Koester 2010). In the individualism-collectivism dimension, cultures differ in the extent to which individual autonomy is regarded favorably or unfavorably. In the hierarchy-egalitarianism taxonomy, cultures differ in the degree to which they view status inequalities as just or unjust. In high- and low-context cultures, cultures differ in the extent to which they depend on the context in communication and in the extent to which they regard implicit messages as preferable. Situational factors include power relations between sellers and buyers, enlarging and shrinking markets and the number of competitors.

Power relations are constantly changing by the degree of dependence on the other party (Fukuda 2012; Sakuma 2011; Neale and Lys 2016).

Then, what kinds of problems have Japanese and American businesspeople encountered when negotiating with American or Japanese counterparts? The purpose of this paper is to explore how Japanese and American businesspeople have dealt with differing cultural values and power relations in negotiation and what they have learned from their experience so that they can obtain mutually beneficial results.

## 2. Methodology

For the above purpose, surveys of Japanese and American businesspeople who have experience in transactions with American or Japanese counterparts were conducted either through interviews or questionnaires. Respondents had a choice of answering questions either verbally or in writing. The researchers asked for more detailed explanations when necessary.

The respondents were 30 Japanese and 21 Americans whose age ranged from their twenties to their seventies. 46 of the respondents were male and 5 were female.

They were asked whether they had negotiation experience. If the answer was in the affirmative, they were asked to describe their experiences, and respond as to whether they were satisfied with the outcome of their negotiations. If the answer was negative, they were asked to give reasons. Lastly, they were asked to feel free to give advice on successful negotiation.

Data was analyzed using the KJ method in order to increase credibility and reliability. The KJ method developed by Kawakita Jiro (1967, 1970) provides a means for organizing qualitative data by combining separate concepts through card-making, grouping, naming and chart-making. It aims to create factors by synthesizing various data or ideas.

## 3. Survey results

The results of the surveys indicated that with M & A and business alliances, a lot of people had intercultural negotiation experience and they recognized the need to understand the other party's cultural values and conduct market

research. Also, many respondents emphasized the importance of advance preparation (Malhotra and Bazerman 2007; Neale and Lys 2016; Watkins 1999).

## 3.1. Negotiation within a workplace

The following is negotiation within a company. The purpose of negotiation within a company is mainly to proceed with projects efficiently and partly to ask for a raise and demand continued employment.

### 3.1.1. Showing respect for differing cultural values

Within a workplace, advance preparation for launching projects efficiently means to understand the other party's cultural values and show respect for those values. An American with experience working as a manager in a newly acquired company focused on Japanese employees' loyalty to their company and their collective attitude (Sakuma 1994; Samovar and Porter 2001) in order to ease Japanese employees' anxiety. "The company had been successful prior to being acquired. We told the employees that we wanted to learn from the company's prior success;" and "I adopted Japanese customs. Along with every other employee, I had my desk within the department. I put my street shoes in the locker every morning and wore slippers in the office. I had lunch every day with my colleagues and never hesitated to have what was being served in the cafeteria."

On the other hand, Japanese people who were appointed as managers in newly acquired companies respected American employees' freedom and valued their individualism (Ferraro 1998; Stewart and Bennett 1991). "When I teach American workers how to use a new machine, they are usually given a month to master the operation, but in the next stage, some workers can't use it efficiently. When they can't achieve a certain quota, I have them choose to either come to the workplace early the next morning or work overtime that day;" and "I give notice to the employees who make mistakes by recommending: Use this site. However, if employees still make many mistakes, I have them redo it at their convenience."

### 3.1.2. Utilizing differing cultural values

With regard to utilizing differing cultural values, examples are closely related to Japanese holistic and American analytical views (Sakuma 1994; Suzuki 2017). An American project leader working at a Japanese company

stated that he was pleased with the Japanese management of valuing human resources based on Japanese holistic ways of thinking. “They try to have employees who aren’t very capable relocate to a different department or reeducate them.” He continued to mention that when he worked at an American company before, the toughest job as a project leader was to decide which subordinates he should dismiss.

On the other hand, a Japanese person who was appointed as manager of an American branch office stated that he adopted the merit system based on American analytical ways of thinking. “In a department of quality control, I have decided to indicate figures regarding how many products each employee checked and how many defects the employee detected and have some efficient workers get a raise.” In the past when he had passed performance reviews on to his subordinates, a few people voiced complaints. That is why he decided to present the figures in order to prevent potential grievances.

### 3.1.3. Establishing cooperative human relations and grasping local needs

With respect to projects focused on finding new markets abroad, a number of people pointed out that it is indispensable to grasp local needs (Gesteland 2012; Kisaki 2020; Tanihara 2011) by establishing cooperative human relations with local colleagues. Specific examples are companies dealing in washing machines and lawn mowers. “We learned from American colleagues that Americans can’t dry clothes outside and we have valued the function of clothes dryers;” and “Plenty of Americans own big gardens, and American colleagues made us recognize the need to develop lawn mowers which are appropriate to the big gardens.” After understanding the local needs, the engineers discussed how to develop machines which are sensitive to local needs.

Also, in the field of software, both Japanese and Americans agreed on the need for collaboration. “Japanese value storylines in anime while Americans pursue excitement. While cherishing the original plots, we collaborate with Americans on how to add the flavor of excitement;” and “If characters in anime are only Asians, Americans feel strange. When I suggested that some characters should be Caucasians, Hispanics and Africans, my suggestion was welcomed.” Since then, the anime producers have discussed many times how to create better works.

### 3.1.4 Complaints toward the other party

In contrast with the above successful examples, some negotiations ended up having no effect. American complaints about Japanese people concern insufficient explanations for promoting projects and giving feedback. “Many Japanese say at meetings, ‘This is a problem here,’ and do not offer any possible fix. Japanese tend to be more cautious and not say anything unless they are pretty sure what they say will work;” “Japanese people often say, ‘This is the way it is because this is the way we have always done it’ and it is not a good reason for anything;” and “Japanese bosses tend to just pass sheets of performance reviews to their subordinates. No feedback is given on a daily basis.”

On the other hand, Japanese complaints toward Americans are failures to observe project deadlines and a tendency to overrate their abilities. “Many Americans don’t observe project deadlines. We have to make sure in the middle of projects, ‘How is your project coming along?’;” and “When declining an American request for raise, we have to make the reason clear. For instance, ‘Your performance was fantastic, but you had conflicts with your colleagues. Unless you change your attitude, you can’t get a raise.’;” and “Americans tend to claim the group achievements as their own, so we have to be cautious about our judgment.”

### 3.1.5 Understanding incompatible cultural differences

We have to become aware that some cultural values are incompatible, and therefore they can’t be fused. What Japanese and Americans who have experience in working at both Japanese and American companies noted were their attitudes toward taking risks and the degree of making compromises. “At meetings in a Japanese company, when an employee tried something new, a boss avoided taking risks by collecting data. Even if an American employee insisted that it is worth a try, the boss responded that he would need permission from the head office;” and “Japanese managers provided lots of input and had strong views on what they wanted. However, they were willing to compromise based on what was good for the division. American managers were less involved in the details, but they were also less willing to accept an organization that was optimized for the division.”

## 3.2. Negotiation with other companies

In negotiation with other companies, two main purposes were identified: promoting joint projects efficiently and setting the prices of products. In both cases, businesspeople emphasized advance preparation as a key requirement.

### 3.2.1. Showing respect for differing cultural values

Like negotiation within a workplace, both Japanese and American businesspeople stated that they should do research on the other party's corporate philosophies and cultural values beforehand in order to show respect for other companies or differing cultural values. While market prices fluctuate, businesspeople often have fairly limited freedom in negotiations over the prices of products. Many businesspeople mentioned that whether they can negotiate smoothly depends on human relations with the other party. American businesspeople who succeeded in transactions with Japanese companies shared their experiences. "Before negotiation, I carefully read the corporate philosophies of Japanese companies and talked about the philosophies;" and "I had read many books on Japan, especially how Japan had achieved remarkable success after World War II in such a short period of time, and raised the theme. My knowledge seemed to impress Japanese businesspeople." He added that his predecessor talked about American football, which didn't make sense to Japanese. Consequently, the negotiation didn't move forward.

On the other hand, Japanese businesspeople who achieved success in the transactions with American companies complimented the American company's initiative and American attitude of being willing to take risks (Foster 1992; Lewicki, Saunders, and Barry 2006). "Your company has done up-to-date research on how to cope with new kinds of viruses in remarkably changing IT industry;" and "Developing new products always involves risks, and we admire your courageous decisions without worrying too much about risks."

### 3.2.2. Advance survey of market price and the prices of competitors

When setting the prices of products, businesspeople paid attention to the world situation and the prices of competitors. A Japanese businessperson who conducted transactions with raw materials emphasized the need to constantly check the fluctuation of market price. "The price of raw materials

goes up and down radically depending on world situation, especially the political climate in oil producing nations, and I have to pursue an appropriate price each time." Another Japanese businessperson who had rich negotiation experience focused on the prices of competitors. "In a global community we have to agree on a price after taking our competitors' prices into account, so we always keep an eye on the competitors' prices and the product reviews in the market."

### 3.2.3. Recognizing who has the authority to decide

Whether the purpose of negotiation is the promotion of projects or the price of products, what is equally important is to recognize who has the authority to decide (Chaney and Martin 2014; Sakuma 1994; Tanihara 2005). American businesspeople learned from their past failures. "A Japanese who is a fluent speaker of English does not necessarily have the authority to decide. In fact, he is just working as an interpreter, and we have to find out who has the power;" and "At the end of the negotiation, I was told, 'We'll report on the content of today's meetings to the head office.' I thought that it was a waste of time. We should have demanded beforehand that a person with decision-making power should be delegated." A Japanese person with rich business experience also mentioned, "I found out that in the United States just an order taker is not welcomed. Since then, I have asked my boss in advance to entrust decision-making power to me."

On the other hand, Japanese businesspeople learned from their past failures. "American employees only know their own jobs. Even when I asked their colleague, they just answered, 'I don't know.' When a person in charge was expected to take a long vacation, I should have asked beforehand who I should contact during that period;" and "Americans often change jobs. Even when we exchanged a contract with an American in charge, the person left the office later. I should have specified the whole content of the contract."

### 3.2.4. Dealing with communication problems

Businesspeople who understood some differences in communication styles recognized the need to adjust their communication styles to the other culture (Ferraro 1998; Samovar and Porter 2001; Takemura 2020). American businesspeople who faced communication problems shared their experiences. "Japanese people often say, 'It will be difficult.' I found out that it means 'No.' Since then, I have decided to ask, 'What is the less difficult way?'; and "Listen to what is said and what is left unsaid. Don't

overload people with information just because you can't feel comfortable in silence. Wait for questions. Through the questions, you would sometimes have to figure out what is the most important issue." They realized that in Japanese culture, the interlocutor often has to figure out the implied crucial piece of information (Hall 1977).

On the other hand, Japanese businesspeople insisted that contracts should include items on breach of contract. "In transactions with non-Japanese companies, oral agreements have no effect. Since I found out that they often failed to fulfill the agreements, we have decided to include some items. For instance, when companies failed to make payments on appointed dates, they should pay back the money with interest;" and "When I order clothes from Hispanic-American companies, we seldom get the clothes on time. We have decided to specify the contractual penalties. If they send the clothes two weeks later than the appointed dates, they have to give us 10% discount, and if they are even later, the order will be cancelled."

### 3.2.5. Grasping the expectations of other companies

Japanese businesspeople with rich experience in conducting transactions with American companies mentioned the need to grasp the expectations of other companies: "Some American clients insist that they would like high-quality machines, but the definition of high-quality machines differs from culture to culture. Japanese clients are more demanding while American clients in general would like adequate machines at a low price;" and "Some ethnic groups, although they claim that they need quality machines, actually give priority to the price of machines, not quality."

## 3.3. No negotiation experience

Around 20 percent of respondents had no negotiation experience. Their reasons were classified into three groups: (1) They are pleased with the corporate philosophy of their present company; (2) The working environment of their present company is better than that of a previous company; and (3) Placing a price on products is based on market price. The specific examples of the corporate philosophy are: "The corporate philosophy, *kaizen* (continuous improvement) is similar to my family culture;" and "The company has strong social responsibility including environmental problems." With regard to the specific examples of the working environment, "The present company recognized my expertise more highly than the previous company;" "When I worked as a salesperson before, I was told by my boss

to sell the company products by any means. In the present company, however, I can sell the company products to people who really need them;" and "The present company has health benefits and I feel secure."

# 4. Discussion

The above results demonstrated that advance preparation is important in intercultural negotiation whether it is conducted within a company or with other companies. If businesspeople have some knowledge of what Japanese and American businesspeople learned from their experiences, they can apply the knowledge to various negotiation situations in order to show respect for the other party.

## 4.1. Showing respect for differing cultural values

One point of principled negotiation involves separating individuals from a problem (Fisher, Ury, and Patton, 1991). In reality, however, it is extremely difficult to implement. Businesspeople in a disadvantageous situation have difficulty repressing their emotions, so a practical policy on the part of businesspeople in an advantageous position is to offer the other party a site where they can control their emotions. The above examples proved that it would be effective if an American manager mentions Japanese employees' loyalty to their company and follows collective actions or if a Japanese manager offers American subordinates options and values American individualism.

## 4.2. Incorporating one another's strengths

The above results also indicated that we can make effective use of human resources and minimize employees' complaints by incorporating one another's strengths. The American project leader became aware of Japanese holistic ways of thinking and succeeded in establishing mutually beneficial relations by reevaluating his subordinates' abilities and relocating them to different divisions, for example, from a sales department to a back office. On the other hand, the Japanese managers adopted American analytical ways of thinking with accurate figures in performance reviews and established better relations. Americans often change jobs, and salaries in their previous workplaces are important. As a result, Japanese managers have decided to indicate figures in order to prevent potential problems and also to motivate their subordinates.

## 4.3. Establishing complementary relations

Both Japanese and American businesspeople mentioned that projects worked out well after establishing cooperative human relations and grasping local needs. They have established complementary relations by recognizing Japanese high-quality machines and American proficiency of introducing products to the audience. In anime also, they have succeeded in raising box office sales remarkably by combining the merits from both cultures.

## 4.4. What Japanese and Americans can learn from each other's complaints

The complaints pointed out by both Japanese and Americans are closely interconnected. Japanese people don't give detailed explanations about projects, so Americans may not observe the project deadlines. If a Japanese person adds explanations such as "This is an important project, so if you achieve success within the deadline, you may deserve a raise," American employees may become highly motivated. If a Japanese mentions some solutions after explaining some merits of conventional ways and some risks concerning the new ideas in the case of failure, it will help Americans understand that Japanese value groupism; that is, they don't want to cause trouble to other members of the group. If they discuss the problem at a meeting, they may find ways to reduce risks.

As for Japanese managers' insufficient feedback, it is important for Japanese managers to understand that Americans expect communication on a daily basis. While Japanese culture takes working diligently for granted, Americans often need words for recognizing hard work and for encouragement. American businesspeople gave frank comments. "When I was working at an American company, I was often praised by my boss, 'Thank you for your hard work.' In a Japanese company, however, I'm seldom told by my boss;" and "American bosses speak to me casually. For instance, when I dealt with mortgages and asked for my clients' bank statements, some clients got angry by saying, 'Why is the bank statement necessary?' However, my boss helped me calm down by saying, 'Don't worry. It's their problem.'" If Japanese managers communicate with their subordinates on a daily basis and casually mention benchmarks for rating their job performance, Americans will be less likely to overrate their jobs.

We can expect to improve human relations by adopting merits from the other culture. Japanese people can learn from the American contractual society and include items in contracts to demonstrate that employees who can't perform to the required standard will be dismissed. On the other hand, Americans can learn from Japanese holistic ways of thinking and can ease their stress by reevaluating their subordinates' abilities from multiple viewpoints. If they have to dismiss their subordinates because of the recession of their company, they can write a letter of recommendation, for example, they might mention that their subordinates can do a good job in a back office even though their sales activities are mediocre.

## 4.5. Ascertaining the true intent of other companies

It is also important to ascertain the true intent of other companies (Chaney and Martin 2014; Gesteland 2012) by asking questions because "the more questions you ask, the more difficult it becomes for the other party to come up with consistent answers—unless they are telling the truth" (Malhotra and Bazerman 2007, 205). Japanese businesspeople stated that businesspeople should not take non-Japanese clients' statements at face value. "Some non-Japanese clients purport to want to establish long-term relations only so as to make a contract advantageous to them, so we have to detect if they really hope for it;" and "Depending on the financial condition of the other company, they may demand a further discount. Businesspeople shouldn't make much compromise at the first transaction while taking the possible change into consideration." When some non-Japanese companies make an offer to resume transactions with Japanese companies because the Japanese companies have quality products, Japanese companies should make a contract favorable to themselves by pointing out the other party's previous unilateral breach of contract.

## 4.6. Unexpected results

The survey results also demonstrated that with regard to one cultural dimension on vertical and egalitarian societies which has been regarded as significant (Brett 2007; Lustig and Koester 2010), there is actually little difference between Japanese and American cultures. This is probably because power relations are important in any negotiation. The remarks of American businesspeople reflected this position. "Automotive companies have strong purchasing functions and routinely pressure suppliers to deliver annual cost reductions. We had to implement internal productivity measures

to reduce the cost per part, and also think about what additional services and solutions could be sold to the automotive company (sourcing, design and new materials) to add additional margin;" and "I can ask my boss questions, but I can't argue back to the boss. If I do, I may be made the target of dismissal." On the other hand, Japanese businesspeople described the situation as follows: "When I agree with my boss's opinion, I can express it right away. If I don't agree with it, I will keep silent which implies hesitation. My boss can become aware of my reluctant attitude."

## 5. Conclusion

As the above results demonstrated, successful businesspeople take initiative in understanding differing cultural values and devising ways to show respect for them. Also, they expand their behavioral repertoire by incorporating one another's strengths such as American analytical thinking or Japanese holistic thinking. Further, they establish complementary relations when their cultural values are not compatible. Nowadays M & A and business alliances are frequently implemented, and power relations are constantly changing. We can't predict which company will be under the control of another company, so it is indispensable for every single businessperson to understand differing cultural values and rapid changes in the business world.

Also, the results indicated that feelings of satisfaction are relative. Some people can feel satisfied by contrasting the present working environment with that of a previous workplace. If we understand this, we can vicariously experience how others feel and acknowledge their dissatisfaction calmly.

No one can predict what will happen in the future, so it will be all the more important to cooperate with one another in a variety of ways. In such a period of uncertainty, companies that can understand the other party's cultural values and implement mutually beneficial ideas are more likely to continue to prosper in difficult circumstances.

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# CHAPTER 2

# A NEW INSIGHT INTO BUSINESS INNOVATION AND SUSTAINABLE DEVELOPMENT: THE ROLE OF EDUCATION

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## The challenges of globalisation

Human life has always undergone great changes over time. In the last decades, these changes have occurred due to the relentless search for improvement in quality of life and to the innovations introduced in health, technology, economics, and communication, reaching all areas that involve human behaviour. Globalisation has imposed profound changes that have completely altered everyday life around the globe. It is easy to buy products manufactured in distant countries, which in turn resort to raw materials from other continents. The various steps of a product, from production and distribution to final consumption, have contributed to a great increase in pollution and the unrestrained use of natural resources, jeopardizing the sustainability of the species' survival. This phenomenon cannot be considered only from an environmental and economic point of view, since "Globalization is political, technological and cultural, as well as economic. It has been influenced above all by developments in systems of communication, dating back only to the late 1960's" (Giddens, 1999, p. 2).

Globalization cannot be considered as an incident, but rather as an effective change in our lives, that requires new forms of relationship (Giddens, 2001). We need to value knowledge in order to eliminate poverty and free ourselves from ignorance, but this must be accompanied by a dialogue between reason and the subject, bringing us closer and protecting us against the totalitarian and individualistic temptations that destroy humankind

(Touraine, 1994). Therefore, we must take into account not only the consequences of the capitalist economic model, but also of the individualistic policies that have been carried out by different states, excluding and discriminating residents from other countries and imposing a political and cultural hegemony that fragments and destroys societies (Giddens, 2001; Touraine, 1994).

Globalisation has widened the gap between the richest and the poorest, within countries and between countries. These differences, despite being clearly visible through the different reports and recommendations produced by international organizations, have not changed the course of events. Fundamental rights are not guaranteed to the entire population of the world, despite the Universal Declaration of Human Rights (UN, 1948), that committed the signatory states to promote the universal and effective respect for human rights and fundamental freedoms, considering that "all human beings are born free and equal in dignity and rights".

Following the proposal by Santos (2002), states all over the world must work jointly and democratically, respecting the role of international and non-governmental organizations, solving together problems that they are not able to solve by themselves. The idea of completely independent and autonomous states is as illusory as the idea of totally independent and autonomous individuals (Cortina, 2011; Menezes, 2005). Just as we need each other in order to survive, in the same way, states need other states. This mutual dependence exists not only at the economic and political level, but also at the social level, which necessarily involves the valorisation of interculturality.

We have to commit ourselves to a better future, demanding more from each other, in order to deal with the globalised world that has changed our lives and endangered the survival of humankind. There is a global need for new "forms of world interdependence" and "planetary consciousness", as Giddens argues:

> Globalisation—which is a process of uneven development that fragments as it coordinates—introduces new forms of world interdependence, in which, once again, there are no "others." These create novel forms of risk and danger at the same time as they promote far-reaching possibilities of global security. (1996, p. 175)

The moment we are going through demands different solutions, which require new business models, new roles for states, and greater cooperation and solidarity, in order to reach sustainable development. This is only