Cultural Barriers to Globalization

The Case of Japan

Britta C. Lietke

UNICERT IV Program

Abstract

Nowadays, globalization is on everybody’s lips. Understanding and effectively dealing with its obstacles is of increasing importance as different countries grow together more closely every day.

In this paper, Japan’s unique and very dissimilar culture is used to give an example of the difficulties which may originate when people of different nations meet to trade and cooperate. Cultural differences are underlined and mention is made of how they cause e.g. communication problems.

Key words: Japan, culture, globalization
1. Introduction

The Japanese economy has grown with unparalleled speed for the last one hundred years and has become the second largest economy in the world.\(^1\) Despite its role as a global player with a gross domestic product of 498.499 billion Yen in 1998 and exports well above 68.9 billion Yen in the fiscal year 1999 (Japan Statistical Yearbook 2000), the unique attributes of the Japanese culture hamper the real globalization of Japan in terms of the rest of the world. Knowing that "globalization does not mean a homogenization of economic cultures"\(^2\), there are still many obstacles to overcome to form a world society. Every culture is intimately tied to the land of a particular locale, as already suggested by the etymological root of the word "culture" – to till or to cultivate\(^3\). People who live in different areas will inevitably develop different cultures. In other words, each culture has its own unique character rooted in the features of the land and people of a given region. In the case of globalization, all these different cultures crash into each other, sometimes resulting in extreme difficulties. In his article, Dahrendorf comes to the conclusion that "the global marketplace requires some of the same virtues from all of us".\(^4\) However, exactly here lies the difficulty of Japan’s way to globalization. Westerners are commonly irritated by the deep-seated values and customs inherent in the Japanese culture.\(^5\) This paper is meant to glance at the most distinctive aspects of Japanese culture as well as to bring the effects on doing business internationally into sharper focus and thus to give an example of one hurdle on the path to globalization.


\(^{3}\) culture stems from the Latin word “cultura” – the working or culture (of arable ground); (spiritual) care, education

\(^{4}\) Ibid.

\(^{5}\) So are Japanese when it comes to Western values and customs. However, dealing with the other side of this phenomenon would go far beyond this paper. See for example Filippo, H. (1996), *The German Way: Aspects of Behavior, Attitudes, and Customs in the German-Speaking World* (Lincolnwood: NTC Publishing Group).
2. Japan’s Culture

As already mentioned, the Japanese culture is quite distinctive. Nevertheless, one general remark is worth consideration, that is, every culture has two sides. First, there is the ideological side, which comprehends a utopian version of the culture and its greatest and highest ideals. The other side, alternatively, reflects how things really are. Such a distinction is necessary to understand the difference between how a society’s members wish to act and how they actually behave.

In the case of the Land of the Rising Sun, as Japanese call their country, the ideological side of its culture emphasizes service and doing favors and small kindnesses. Goodness and virtue are stressed as models to comply to. Highly valued are also the intuitive knowledge of things and only the indirect suggestion of what is the correct action to be taken.

In reality, however, the Japanese form a society where the exertion of power plays a very important role in influencing behavior. Whereas in Western societies persuasive argumentation is used much more frequently, in Japan, powerful people can command and exercise power and influence because the failure to comply with requirements from above is what subordinates fear most of all. Such an embarrassing mistake can be devastating for them, even to the point of losing one’s social acceptance and social status and, in severe cases, even one’s living.

Members of Western societies may easily view this kind of social behavior as oppressive. It is interesting to note, however, that this special distribution of power stems from the belief that the elders have obtained by far more wisdom and knowledge throughout their long lives than people of a younger age. Consequently, following their advice was not only necessary but vital and thus, about a century ago, became a social necessity. Yet, with time, the role of advisors shifted from exclusively the oldest to include the most powerful members of society. One might

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6 This is especially true in economics, i.e. when looking at large businesses. Nevertheless, in other areas of social life the same shifts can be found.
argue that power can only be obtained through knowledge and is, consequently, a sign of wisdom. Clearly, this is a quite blue-eyed view, but it should suffice for the moment, since consideration of the many deeper causes of certain cultural aspects would definitely go beyond this research paper and hence needs to be left to sociologists.

Nevertheless, as a general rule it can be stated without stereotyping, that Japanese expect people younger than them and/or of lower status, to be deferential, and will be annoyed when they are not.

The strict dominance of the most powerful over their inferiors need not be viewed solely negatively however, since, in return, giving advice is customary. The older and more powerful aid and advise very frequently, and their mentoring help is not only accepted but highly valued in Japanese society. Also, it is much more common for new-comers in a certain field or young professionals even, to almost always obtain and most often also follow a mentor’s advice, at least treat it much more seriously than in the West.

As a result, it can be noted that, in Japan, human relationships are for the most part dictated by the powerful *sempai-kohai* (elder-younger) relationship.

Another central value of Japan’s culture is loyalty. Closely linked to the above mentioned principle of seniority, loyalty toward family and friends, but also toward the employer is of immense importance in Japan. In most cases employees stay with the same firm their entire lives. In fact, losing one’s job is often considered a loss of face.

The importance of loyalty in the Japanese culture can be shown quite clearly when observing the degree of group orientation. In the Japanese language, *ie* describes the subordination of the individual to the group. *ie* may be translated as ”family” or ”partnership for life”, which played, and in some social classes still plays, a central role.7

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7 In his article “Surviving the "Clash of Civilizations"” in the *Japan Echo*, vol. 26, no. 2 of April 1999, Saeki Shōichi describes *ie* as an “oppressive patrilineal household system” which is still preserved in Japanese society.
(www.japanecho.com/docs/html/260213.html)
Koichi Shinohara defined the *ie* as the "basic unit of communal life, which consists of all who live under one roof and eat meals prepared in the same kitchen."\(^8\) Historically, the traditional streams of Japanese religion – Shinto, Buddhist, Confucian – formed an eclectic and overlapping belief system which began to crystallize about two centuries ago into the above described concept of *ie*. "The interlacing of consanguineous and economic lineage evolved a group consciousness, with *ie* serving as a focal organism around which religious, social, and economic interests are clustered."\(^9\) The *ie* then evolved into a kind of religiously sanctioned unit, a surrogate "religion" with responsibilities to members of the group – a very Japanese form of extended family. For the benefit of the group's survival, the individual had to put his own interests aside. Needs and wants of the single person were of little importance. Today, residues of the *ie*-phenomenon are still strongly present.

Hand in hand with *ie* goes *wa*, or "group harmony". *Wa* connotes an ethic of harmony, unity, peace, and wholeness in a social group. It is the interpersonal harmony which all Japanese strive for, resulting in consensus. The Japanese believe that *wa* is the secret of their success – the trust, cooperation, and loyalty that comes from the harmony within the group.

As harmony is considered as extremely desirable, the Japanese consider politeness as yet another central value. In Japan, politeness means not only expression and acceptance of custom (and its cultural formation). Politeness also includes a degree of fairness: everyone treats, and thus is treated, exactly the way he should after the current custom. Through this, a basis for harmony is created in society.\(^10\)

Last but not least, another highly valued virtue is a certain vagueness in expression. Of course, opinions are stated among Japanese, but how this is done completely

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differs from the "Western way". The Japanese only verbalize tendencies or general trends of opinions. Most importantly, they always leave others enough freedom for their ideas. By not saying too much, there remains room for changes to assimilate views and thus reach consensus. In debates and discussions, for example, Japanese learn to strongly involve others, they listen to everybody else’s views, and decisions are made only when there are no strongly opposing notions left. Mention should be made of the fact that no one seems to make the actual decision, rather it just seems to "turn up".

At this point, one should note that the individual involvement of a Japanese is often done through no apparent involvement at all. That is, by remaining silent. In Japan, silence is just as important as speaking, and the Japanese interpret this silence very favorably. To them, it is a designated moment to understand what has just been communicated. One is assumed to be thinking deeply about the topic and extensively considering all different aspects, and thus having the chance to respond in a well thought-out manner. Of course, keeping quiet may yield other purposes: for instance, one may have nothing to say, or is a poor talker; the subject might be a cause of distress, or, simply, everything noteworthy has been considered by others already. In the West, however, such silence is conceived to be an awkward moment and Westerners tend to mask this uncomfortable feeling with words.

Finally, if a Japanese does speak up, he will usually do so in an ambiguous manner. Partly, this is due to residues of aristocratic disdain towards the merchant class. For example, trading, and thus more generally negotiating, was not accepted among the Samurai, the former Japanese upper class, because praising one’s own virtues was simply considered vainglorious and arrogant.

3. Implications for Business Behavior

Japanese business traditions and practices are deeply rooted in the island nations’ rich culture, and they reflect the values of Japanese society as a whole. Western
business practices similarly reflect Western values, and originate from a very
dissimilar history to Japan’s. Unfortunately, many foreigners who come to Japan to
do business are unaware of these striking differences, and attempt to proceed just
as they would at home, often with dire effects.

Not surprisingly, much of the Japanese business behavior looks merely perverse
from a Western viewpoint. Most general cultural aspects can be directly transferred
onto the Japanese way of doing business: Obliqueness, avoidance, disdain for
frankness and a refined tendency to call things by other names are not uncommon
among members of Japan’s high business echelons.

In Japan, the culturally approved use of ambiguity extends as well to the business
setting, where it is linked to the issue of personal trust. The Japanese seek a deep
feeling of trust, or shinyô, before they enter into a relationship with someone. In fact,
trust is of particular importance in the establishment of business relationships in
Japan. The desired work environment is one of mutual cooperation and fellowship
with one’s partners. In order to achieve the closeness necessary for true fellowship,
a great amount of time is spent getting to know individuals on a professional and
personal level. Taking the time to learn about someone’s hobbies or family is
considered as valuable time spent in understanding somebody’s character and thus
achieving trust. This explains the importance and frequency of socializing with which
business is complemented. Resulting in the fact that it is still commonly accepted
among Japanese contract partners who trust each other that money and other
details need not be discussed. Due to the absence of bargaining among most
merchants and the general belief that others are influenced mostly through subtle,
indirect suggestion, the widespread view among Japanese is that one will not
promote one’s own ideas but rather leave it to the others to recognize one’s merits
and thus the merits of one’s company, products, etc. The main reason for such
behavior today is to not appear self-centered (as Japanese fear they would were
they to speak about the merits or superiority of their company or products) or coldly
rational (as they fear they would were they to concentrate only on economic or
business issues, without relating sympathetically to the other side). There are
powerful injunctions in Japanese society against both of these attitudes.

11 The elegant Japanese description of this behavior is worded as follows: Tamamushi-iro no hyoogen o tsukau -
"Using iridescent expressions".
Thus, in many industries in Japan neither contracts nor invoices nor even product catalogs are used. Alternatively, on occasions where contracts are used, a point will be made of not reading the fine print, for to do so would imply a lack of trust. Another example where trust is expected from the customers are many high class restaurants and bars, where menus lack the prices; the same is true for products sold in traditional stores.

However, as considered earlier, in most business relationships in Japan, trust needs to be established first of all. It is vital that Western business people understand the way the Japanese strive to find the "true intentions" (honne) of their associates as part of the process of establishing trust. The path towards getting to know someone’s honne or true feelings is paved with friendly gestures, hosting, gift giving, and the anticipation that the other person will reciprocate.

On the other hand, until a close (business) relationship is established, the acting individual, the group, or organization presents tatemae, an official or public stance, to the outside world. It is what Japanese say or do for the sake of effect, how they would like things to be, or maybe what they think the other person or group would like to hear. It can also be regarded as a protective "front", a public mask that fulfills social, corporate, and political expectations.

Essentially, the Japanese have both a public front and a private side. This ability to live with both feelings at the same time, even though they may be contradictory, indicates once again that the Japanese people have a greater tolerance of ambiguity and ambivalence than most Westerners do.

Without a proper understanding of these terms, Westerners may misread and even be suspicious of the Japanese, whom they may believe are being duplicitous or "sneaky" in their business dealings by not saying what they really mean. By understanding tatemae and honne, less likelihood of ill will and a better chance for a successful relationship, both in business and on a personal basis, exist.

The status distinctions in Japanese public and private life also play a central role in the business world. Here, status and prestige are highly influenced by two elements. The nature of the company one works for and the position one occupies.
Hierarchy in the workplace is structured like a pyramid. Within this pyramid are clearly defined levels of authority and rank. The top levels are occupied by a small number of older executives, while the lower ranks consist of a large number of younger employees. The level at which one is placed determines the degree of deference one must show to those above and the degree to which one can expect to receive deference from those below.

The significance of rank is indicated by the fact that employees often address their superiors by their titles rather than by their names. Status and prestige come with the upper ranks of the pyramid. At the same time, such positions are strictly limited. Japanese managers therefore feel constant pressure to perform in a manner that will allow them to be selected for the “fast track” that eventually leads to such elevated posts.

This pyramidal structure perfectly explains the reality of social behavior found in all Japanese organizations: Every company employee knows what shocks most Westerners, that one does not argue with the boss if one wants to succeed within the firm.

Though Western business people often feel uncomfortable in dealing with the overly hierarchical formation of the Japanese business world, recognizing status and paying proper deference to it is an essential tool for establishing good relationships with one’s counterparts. In the West, it is considered courteous to approach another person with the stance that “You and I are equals”. In Japan, on the contrary, the polite approach is “I am your inferior”, which leads to the many forms of humbling oneself and praising others that exist in Japanese culture. The Japanese language even contains different forms of speech and levels of politeness depending on whether one is speaking to a superior, an equal, or a subordinate. Business cards are exchanged right at the start of a conversation, in order to set the appropriate parameters of respect and deference.

4. The Trouble with Trade

The Japanese market is known worldwide for being relatively closed especially for imports of manufactures. Despite very low – and in some cases even non-existent –
formal barriers to trade, high informal barriers exist. Those informal barriers may be
difficult to negotiate away, simply because they do not exist formally. Their existence
is to a great extent due to cultural aspects.

Thus, to trade efficiently, Western business men need to understand the Japanese
negotiation style. While, of course, one will often deal with highly Westernized
Japanese, whose style is not dissimilar to Europeans or Americans, it is equally likely
to encounter business men whose values and ways of doing business are vastly
different.

As a matter of fact, in all face-to-face dealings with foreigners, the Japanese put
greatest emphasis on behaving properly. They are hospitable, courteous, and
deferential to those who are senior in age or superior in position. When they are
overseas, the Japanese also try to follow the etiquette and customs of the host
country. For the most part, this is "insurance" against making mistakes, incurring
criticism, and being misunderstood, which itself would reflect the abundance of rules
in their own society.

For Westerners, this "comes quite handy", since it becomes much easier to deal with
people who act similar to oneself. As a result, however, the Japanese and their
motives behind their behavior are often little understood. They not only expect the
same politeness and courteousness towards them, but most importantly, the
willingness to build on mutual understanding and trust as key elements for initial
contracts. It is often difficult for members of Western societies to fully comprehend
the meaning of mutual cooperation and compromise\textsuperscript{12} since they are used to the
Western give-and-take behavior.

In many cases, trade between Japanese and other nationalities severely complicates
matters simply because Westerners try to secure themselves against possible losses
due to non-fulfillment of informal oral agreements. The Japanese then see this as
openly displayed distrust. Soon a stalemate is reached.

5. Globalization

\textsuperscript{12} gojo gojô in Japanese
Understanding a foreign culture can be a challenge. Whenever people face cultural traditions which differ from their own, they often react with confusion, misunderstanding, or hostility.

Of course, even Japanese business men without any international experience recognize the fact that Westerners are different and less predictable for them, that Western business people think about many issues in a strange way. However, mere recognition of dissimilarities is not necessarily a basis for understanding or tolerance when conflicts of interest occur.

The sources of conflict in cross-cultural negotiations are diverse, yet the most common ones are due to problems of communication. These include misunderstandings, e.g. a strong expression of emotion by one side may appear as hostility to the other side when it was only intended as an expression of confusion. Alternatively, some forms of behavior may give offense where none was meant through the violation of cultural norms of which the person was unaware.

However, even the bitterest conflicts with the Japanese are resolvable if the people coming from other countries can develop a comprehensive understanding of their needs, perceptions and feelings. Thus, by taking the time to understand some fundamental concepts that underlie Japanese business customs, and by being willing to make adjustments in approaching foreigners anyone is able to work in a global environment.

6. Concluding Statements

In this short paper, there has only been space to describe the main aspects of Japan’s unique culture and its implications for globalization. Still, a few conclusions may be drawn already, which will give a sufficient outlook on the future of globalization with regard to cultural differences.

One conclusion is that reaching mutual satisfactory agreements and having them effectively implemented is a matter of deeper understanding of motives linked to good management skills as well as common goals on both sides.
Problems of cross-cultural communication will never cease to exist totally. As a consequence, cultural sensitivity does play a large role in globalization.

Thus, understanding the cultural nature of business problems in Japan is the only way to effectively integrate this country into a global market.

This comprehension and acceptance is only reached by urging both Westerners and Japanese to willingly open up towards other cultures and traditions and try to understand them.

What Japan’s Prime Minister Obuchi Keizô said when finishing his first policy speech is valid for all people of all nations: "As we stand on the verge of the twenty-first century, I believe that the kind of country we should be aiming for is one which is not only economically prosperous, but also has the trust of the international community, or in other words, a rich country which also has virtue."

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7. Bibliography


