

"Crossing the Cultural Divide: Doing Business in Japan"



From left: Nicholas Allen; Nicholas Allen gives the lecture at UTSA

On Wednesday November 4, 2015, the East Asia Institute (EAI) invited Mr. Nicholas Allen to give a lecture about Japanese and American Business practices held at the Main Building. This lecture was co-sponsored by the Office of International Business Programs.

Allen is the Director of Business Development, Asia Pacific in the Medpace Pharmaceutical Company. He graduated from the University of Sheffield in the U.K. and taught English in Japan on The Japan Exchange and Teaching (JET) Program. After the JET program, Allen moved to Tokyo and taught business English for two years. Allen has worked in the Contact Research Industry, in which he began to work for Japanese companies. He obtained his current position in 2006.

Allen started the lecture off by presenting a visual representation of the Japanese business culture with a *Daruma* doll, a Japanese lucky charm modeled after the founder of the Zen sect of Buddhism. These dolls are a symbol of perseverance and serve as encouragement. They are used by painting in one eye and filling out the other when a goal has been completed.

Allen talked about how trade between Japan and other countries have increased. Due to this, Japan is now 3rd largest pharmaceutical market in the world. With the

mapping of genomes over the past few years, certain pharmaceutical medicines have been proved to benefit Japanese more so than westerners. Japan has also come out with some major drugs that have been sold to U.S. pharmacies. This trade increase is especially lucrative for the pharmaceutical industry due to governmental practices in place in Japan.

He then touched on the differences between business practices in Japan and Western countries. He told a story that described Japan as an analog watch in that people work together as a unit. This is reflected in the language and office uniforms which brings a sense of cohesiveness. He also explained that the Japanese are very loyal to their employers. In return the employers take care of their employees well into old age. This concept of uniformity is brought on from childhood and reflected on sects or work groups (department stores, taxi drivers, business men), unlike western cultures who may strive for individualism and act in pursuit of personal goals.

The ranking system influences various aspects of person-to-person communication as well as within meetings and at meals. Names are by family name first and given name second. To be respectful, it is preferred to call someone by their family name(-san) and only after

knowing an individual on a much more personal level, then they may be called by their given name or nickname.

Even within the family, titles vary between younger and older siblings. An individual must be aware of their position within social groups and act accordingly. In work related outings, if the person of a higher rank is present and requests a particular meal, everyone else is understood to order the same thing. Seating placements in meetings is also based on a ranking system. The most senior person would be sitting furthest from the door and the ranking decreases as they sit towards the door. In cars the most senior would be at the back seat furthest away from the driver. This ranked placement also occurs in elevators and restaurants.

Allen gave some tips of how to be mindful when conducting businesses in Japan from his personal experiences. For example, in major cities like Tokyo, while a foreigner may be able to get around without knowing Japanese, it is well received if they attempt to learn and converse. As a westerner working in Japan it is advised as a visitor to not stand out too much in order to be respectful of their way of life. During first introductions, business cards are given with both hands, words facing them, Allen advised to read the cards as received and comment on the contents.



Minimal gestures are appropriate as effusive body movements are considered to be less elegant. The indirectness of requests is very common, such as asking someone if they have a watch when they are in fact asking for the time.

When actually doing business within a Japanese company, Allen explained that Japanese business meetings start around 10 a.m. partly due to the travel time of up to 2 hours on public transport and to have time to prepare. In spite of this, they still work long hours; leaving at the earliest time of 6 p.m. Lunches are usually separate from work and are taken at noon. Work spaces are rows of desk with small partitions, typically having a communal phone for the office members to share.

"During meeting, no one will give an answer straight away," said Allen. "It must go through a regulation system, Ringi, that partitions responsibility for the project." Japanese will also use language to deflect from saying "no", as the use of "hai" (yes) may not necessarily mean yes, but rather "I hear you," or "I understand," according to Allen. The Japanese have a saying, "those who quack

first gets shot," which is used to express the use of silence and comfort with it within Japanese society.

At the end of his presentation, Allen talked about how important gift giving is in the Japanese culture. Gift culture in Japan is based on presentation, contents and is expected. It can vary from food to objects, or be reflective of where you are from. Business parties afterwards are used as socializing time and to learn what they do or don't like about a business proposal. He also explained that an optimal time to travel for business is in the Fall due to the cool weather and to avoid major holidays such as golden week in the spring.

After the lecture, Allen took questions that the audience had about business culture in Japan. One audience member asked about the effect on Japanese business during holidays. He replied "[Japanese] have their own quarters, so fiscal days are from a practical point of view. "For example, Japanese don't celebrate Christmas, but New Years is a big deal," said Allen. "So they take a couple days off then. Therefore, it is a practical consideration that the fiscal year starts in April because there is not much going on after."

Others had questions about meaning of contacts in Japanese business and office rules such as not texting and making personal phone calls during work. The last question asked was, "Based on your experience what is the most important thing about conducting business in Japan?" to which Allen replied, "Understanding the company and understanding where they are coming from."

Allen's lecture helped audiences understand Japanese business culture better from an insider's perspective. One student said, "Nick Allen's presentation was excellent! He has great credibility in his field and was very informative." Another student commented, "Very informative! I learned a lot about business procedures in Japan and feel that I have a deeper understanding of the Japanese culture."

The UTSA East Asia Institute's mission is to promote appreciation and understanding of East Asian societies and cultures both on campus and in the community through research, outreach, networking, education, student/faculty exchange, and business development and cooperation.