

Essay on asia pacific business

[Business](#), [Company](#)



- Introduction

Chinese and Japanese cultures have overlapped in practically all characteristics including political, cultural, business, and technological despite their immense historical differences dating back centuries. Yet their demonstrations of business characteristics are expressed diversely that their historical concepts of collectivism and individualism have often paralleled. Interestingly Chinese and Japanese business is extensively culturally driven by different reasoning even they seek the same result, but from different approaches even though they are geographically in close proximity of each other. Similarly as to how many ancient civilizations began, China and Japan have long histories of similar empirical rulership and value systems that shaped their civilizations influencing each other and shaping themselves to what their countries have resulted to nowadays. Although currently these countries distrust each other, they continue corporate relations as they need to depend on each other. Both countries experienced economic burgeon and struggles. For example, Japan's exports to China kept it as its main source of industrial growth (Li & Putterill, 2007). Japan's renowned industrial giants such as Samsung and Toyota depend on Chinese buyers for their automobiles and gadgets. Since Japan has advanced mostly in technology, China acquired the need for this technology for its future development. Currently China is experiencing highly environmental issues due to its increasing industrialization, and Japanese technology is the prime solution with its energy efficiency.

But international trades between these two countries have dropped since 2012, and the first half of 2013 saw at least a 10 percent drop in trades.

Some unconfirmed sources indicate historically at the consumer and individual level (perhaps also from political levels) that both Chinese and Japanese have often defamed each other of technological and cultural infringement (an unrelated issue of this example is the invention of Asian martial arts where they both claim to be the pioneers). In terms of business trades, new tensions arose rendering slower growth in China and their anti-Japanese outlooks causing lower sales in Japan's automotive industry. But the decline in this trade has harmed China's economy as well (Sorkin, 2014). In return, adversarial social attitudes caused Japan to reduce their trading with China and rerouted trades with other countries instead bringing down Japan's direct investments into China just below 30 percent. This decline took place during the first three quarters of 2013.

Does this suggest that both countries have reverted to their old political practices to back up their business practices? The purpose of this research is to identify the similarities and differences in business policies between China and Japan and how they compare with each other under their own political and economic systems that govern their respective practices. But differences between cultures often overshadow similarities regardless if there was an increase of ratio among similarities (Mansfield & Pollins, 2003). The cross-cultural research has been identified by findings proposed by observers who have travelled to the Orient particularly in China and Japan, and have even lived there, and compared cultures to the western world. The most prominent cultural features to be cited later in this report are Japan's tacitness and gregariousness and China's explicitness and individualism that definitely mark their differences. In spite of differences their business and

trade relationships are more mutual than can be perceived. Yet each other's business perception continues to draw international attention for business opportunities.

2. 0 Historical and Modern Comparison of Chinese and Japanese Business Systems

Much of Japanese culture along with its art and literature has been drawn from Chinese culture. Therefore over the centuries, Japanese business and customary practices with other countries have altered several of these commonalities to distinguish themselves from the Chinese culture in which they both have huge impacts on their own respective business systems. Many other country's economies have become stagnant in comparison to China's and Japan's growth increase and considered to have the fastest growing pace currently. One of the main reasons for China's extreme growth is Hong Kong's release from the United Kingdom in 1997. However Hong Kong, because of its political and economic isolation for many years, remained a stand-alone region financially and still remains somewhat independent of mainland China's economy. Hong Kong appears to have more open business channels with the western world and integrates a number of North American business associates as well as business exchange and English speaking programs which have drastically shifted the balance of financial power. Hence it can be stated that mainland China and Hong Kong may have convergent political cultures under the same governmental system, but financially and culturally have become divergent. Normally when more business channels are to be proposed to Chinese borders, Hong Kong is usually the first to respond. Only time will tell if they will converge and

become part of a multilateral system. China's open door policy executed by Deng Xiao Ping welcomed free trade with other countries when it was originally secluded and selective with whom they conducted business with. China's evolution into expansion of agriculture, technology and industry shaped China into an industrial nation.

Japan currently dominates one of the highest statuses above China, America, and the European Union. Its historical practices have kept all of its land coherent although it was sovereignly divided, but the firm protocols were identically maintained across the nation. It is relatively geographically small compared to China and its population density is quite solid. Much of Japan is unsuitable for agriculture rendering its population to rely upon its creativity and innovation to export to other countries to reinforce its economy. It was only until the mid-1850s when Japan actually opened its doors to western commerce in spite of its discovery by the Spanish and Portuguese in the 16th century. Japan suffered heavy losses following WWII. But since then what drove their economy was its business influence around the world by then especially by European and western influence in centuries prior. With its ingrained hierarchal structure Japan's labor force became an integral part of its economic boost. In the few years before and after WWII Japanese workers were rerouted to more commodity type services such as agriculturalists transferring to industrial services resulting in high productivity. As Japan's population grew its labour relations managed to maintain its wage ranges and increase productivity.

3. 0 Business Hierarchy

Understanding Chinese and Japanese business hierarchy is what the western

world shall partake in international relations. Chinese and Japanese hierarchy are often mistaken to be identical. However, cultural their differences do vary greatly and highly influence their business practices. Because of their unique cultural importance they are distinguishable compared to the western world where it is multicultural. Almost all Chinese companies are designed and managed with hierarchal elements dating back centuries where the highest or pinnacle leaders decide the direction in which companies are to head. They lead their sub-managers and micromanagers where their decisions are firmly set in chains of command. In other words, Chinese business hierarchy can be pictorially similar to the top-down pattern or pyramid structure.

As a pyramid dictates, those at lower levels always receive orders from officials directly above them. The same goes for those in mid-level taking orders from those at the higher levels. This type of hierarchy is the one of the reasons why China has been one of the most renowned factory leaders where a rigid structure is mandatory. When especially time constraints are factors, any interruption may cause ripple effects throughout the entire workforce. Therefore, the pinnacle leaders make the ultimate decisions for all subsequent organizational frameworks.

Japan has similarly historically maintained its hierarchal structure to Chinese culture with a few minor differences. Once again its business strategy stems from its ancient roots when Japan was ruled and occupied by emperors.

Japanese are precise in their everyday procedures that are practically set in stone with little deviation. They strictly believe their task shall never exceed or fall shy of what is expected. This also defines their job descriptions where

they cannot deviate from they are obliged to do. Their boundaries are clearly defined at all levels of professionalism within an organization. The rationale is when specific tasks are assigned, the pinnacle managers are already aware and understanding who will be taking upon these tasks. Similar to the imperial periods in historical Japan, corporate behaviour is strictly arranged as defined by each task.

The purpose of Japanese corporate culture is to ensure all levels of management and positions integrate everyone involved. This manner as opposed to an organizational chart, all personnel automatically know the roles of each person delegated in positions and their contributions therein. Each person in the company is aware of all other positions on both extremes of the corporation as well as their own. The stakeholders within the corporation feel a sense of belonging among all others in order to understand what factors affect the corporation.

The reason why hierarchy is important in Japanese corporate culture is because the internal workings of a corporation can be more easily controlled in case any uncertainties are encountered (Miller, 2013). There is nothing devastating when a company is suddenly impacted by external factors and nobody within the internal framework of the company is unaware. By forecasting how employees will react to company crises, the working patterns are already organized by hierarchy. What Japanese companies surpass the western world is pinnacle management is aware of all operations. In the western world often pinnacle management is unaware of the occurrences at lowest levels. But in Japan team work is strictly encouraged. Hierarchy though may vary between companies depending on

the type of company and its objectives. But the concept of hierarchy in each company is identical.

4. 0 Business Interactions and Decisions

China and Japan have unique cultural business practices, not only differing from the western world, but also between them. Chinese have a highly regarded concept of keeping or saving face. In other words is important to maintain respect and dignity from those you interact with. However, in Chinese culture it is often termed as “losing” face because it is a non-confrontational culture where open arguments and conflicts making others uncomfortable are unfavorable. Once any business associate loses respect, business negotiations come to a halt. Chinese business people do not prefer to reveal their openness on disagreements. They rather be indirect in their judgement and provide unsure and open-ended decisions. In spite of pressing matters to reach decisions, Chinese ensure their business counterparts a long way to be accepted in their business realm, unless they feel comfortable with them. Their counterparts can lose face if they lose patience over decision-making (Li, 2012). Sometimes their comfort level dictates they have several casual meetings before they want to begin serious business negotiations. Experienced Chinese business people prefer to form a fast track negotiation with foreigners, especially with Westerners in order to extend negotiations, understanding that impatience leads to concessions during a speedy decision-making process.

The Chinese culture is organized with bureaucracy and hierarchy with the hierarchy mainly comprised of seniors executive dictated by age. Usually only one leader is involved and uses the traditional way to solve problems as

opposed to the extent of their business range (Wood, 2012). The senior executives make the ultimate decisions but often take sufficient time to reach decisions. Additionally, the chief executive may not even be present creating further decision delays. When negotiating with Chinese business people, it is common that long pauses and silences make decision-making difficult and discomfort foreign business counterparts. Frequently in traditional Chinese culture, foreign business people are tasked to prove their worth to conform with Chinese negotiation, otherwise to reach an agreement may take lengthy periods or perhaps not reach any conclusion.

Specific miscellaneous objects and gestures are critical in Chinese culture for social and business or otherwise. Although they may be rudimentary etiquettes to the western world, they are compulsory in Chinese culture including in business which are often dismissed as inattentive. Traditional Chinese prefer most objects to be handed over with both hands including business cards and gifts. When presented with something in writing, they wish to see both languages written in English and Chinese. Some business people like to present gifts to foreign cultures. Chinese do not prefer gifts such as cutting instruments, flower arrangements or clocks. Business meals offered are expected to be accepted at all times. If some meals are not suitable, or more cannot be eaten, they can always be left uneaten which is normal to Chinese dining behaviors. When displaying objects engraved with numbers, the number four shall be avoided at all times as Chinese consider this number to be bad luck. Alternately the number is what Chinese consider to bring them fortune. When making expressions with hand gestures or providing directions, anything other than direct pointing with the index finger

is least offensive. All business people invited to attend scheduled meetings are expected to be punctual as tardiness is not tolerated. When requesting any business meetings involving Chinese on particular dates, the most important dates to remember are the dates revolving about the Chinese New Year which is a week long holiday, most significant, and most likely all Chinese establishments are closed for business.

Contrary to popular belief, Japanese business culture is not the biggest obstacle to starting business in Japan for foreign companies as perceived. Where Japanese possess similar cultural policies with the Chinese culture is the decision making process. Japanese senior executives approach decisions made by one leader but for different reasons. Japanese approach decisions for reasons of keeping companies harmonized and streamlining one goal regardless if major or minor. After the decision is set in stone, the differences pertaining to decisions remain. This is similar to keeping attuned with a legal written contract that cannot be altered unless a clause specifies it otherwise. Opposing parties may disagree prior to a set decision but continue approaching the goal agreed upon.

Japanese companies heavily emphasize seniority where the eldest or top senior executive makes the final decision. When business meetings are in progress, only the eldest or seniors decide how long and when the meetings shall end. The purpose is to ensure comity among all meeting attendees. As for the elders, they are to be regarded as the most respected members of the meeting attendees as well as the company. Their needs along with the company needs are to be placed firsthand.

Japanese workers have a clear perception of production and time necessary

to complete their projects. Their priorities of undertaking projects from beginning to end are compulsory and consistent. If somehow business falls out of schedule, the person specifically undertaking the task is held responsible. Hence they deliver a service that traverses beyond customers' expectations and take the time to ensure all parameters comply, although the reservation of both customer and supplier to cater to the other party is oversimplified.

5. 0 Conclusion

China and Japan are sharing bilateral trades and free-trade agreements in spite of centuries-old territorial claims and military tensions. Seemingly business has been doing well with these countries accommodating each other's services. Over the course of 2013, the number of Chinese visitors to Japan has increased seven times than previous years. Japanese business people journeyed to China seal economic relations that have crumbled over the years. The result over 2013 had each other's renowned delegates visiting each other for important business trade matters. As with attempting to understand cultural practices in tandem with business references, currently they still gesture to avoid offending each other because of past political and empirical tensions (Schuman, 2013). However some Japanese political analysts are concerned about China's grudge against Japanese territorial occupation. Alternately they observe that China will not limit business trades because the past cannot change and there is little that can be done to change the past. It is not surprising that China and Japan are under global business and political scrutiny considering they comprise of most of the region's economic activity and more than 50 percent of the

region's military spending (Harner, 2013). But their past five years of bilateral trades have not reduced political and military strains, and may bring hazardous global implications. At least historically Chinese and Japanese relations had recognizable frameworks and often toggled with power and prosperity in comparison with each other (Vogel, 2014). Each intermittently and alternatively experienced its own periods of dominance and affluence over the other. The reason why their powerful characteristics have recently emerged simultaneously is because of China's sudden economic growth and Japan's inactive economy. China has had for years grown its military budget, where Japan's stale war position due to its allegiance with the US has defensive technology.

It can be concluded whether the relationship between China and Japan can survive after centuries of military and political conflict and be transitioned into one of cooperation. Japan has been a proponent of multilateral trade and economic development since World War II. Since the 1990s up to 2004 both countries mutually increased trades developing further cooperation.

Evidently mutual trade agreements have indicated that these countries have managed to get along. However, when contracting towards multilateral trades, although unintentional, especially when a rush in countries occurs, it can set imbalance in trade relations (Vasquez, 1995). Consequently they end up becoming political debates. The reason is some countries establish excess trade channels where each country included has more or unique provisions other countries lack. One positive relationship aspect between China and Japan is their economic relationships are deeply rooted in multilateral trades and have created powerful ties than political fluctuations. Perhaps

maintaining a bilateral trade agreement, or at least a higher percentage, may increase friendly political relationships between China and Japan, and limit percentage of multilateral trades with other countries (Katz, 2013). As long as there are delegates visiting to resolve political issues, tensions can ease. The continuous trades also keep political tensions at a minimum as joint efforts for bilateral trade agreements begin to grow. Even if not all political issues can be resolved, as is the case between most countries, at least mutual understandings can be reached. Political volatility is what is feared most when trade relationships dwindle. But nonlinear relations between China and Japan are what it would take to correlate trade and political resolution.

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