

MANAGEMENT



INTERCULTURAL COMMUNICATION AND THE U.S.-JAPAN LUMBER TRADE: AN EXPLORATORY STUDY

PATRICK OBLANDER
STEVEN E. DANIELS

ABSTRACT

This paper asks whether aspects of intercultural communication create difficulties in lumber trade between the United States and Japan. Aside from the commonly heard complaints about this trade flow (escalating tariffs, subsidies to industry, and differing product specifications), problems in communication may also restrict the level of trade between the two countries. The authors cite readings that inventory the common communication problems in intercultural business situations. This literature review led to semi-structured interviews asking American ($n = 17$) and Japanese ($n = 14$) lumber traders to comment on these problems in their own experience. The specific interview questions were pretested/refined through a written survey. The interview responses were analyzed to assess how, if at all, intercultural communication hindered U.S.-Japan lumber trade. Most of the problems reported fall into four major categories: 1) the role of personal relationships; 2) culturally different time frames; 3) culturally based preferences that have led to different product standards; and 4) the flow of information. The long distribution channels characteristic of the trade may hinder the flow of information and thus prevent better communication, but these channels appear to be shortening. Furthermore, the Japanese importers and American exporters in this study have learned to adapt to each other's style to varying degrees.

invested in explicit messages than in implicit messages) make it difficult for other cultures to interact with them. In this and other ways, widely varying cultural patterns will encumber intergroup communication.

We may well suspect, then, that Japanese and Americans will find their interactions difficult and stressful. Japanese are notably high context and Americans low context (10). Hofstede defined fundamental cultural variables and found that the United States and Japan rated significantly far apart on most of these (14). As a result, we recognize, as does Tung (22), that "given the vast socio-cultural differences between the two nations, an American businessman cannot approach a business negotiation with a Japanese partner with the same attitude and perspective as he would a domestic or West European counterpart."

This study questioned how well American lumber exporters and Japanese importers communicate in business negotiations. Does this industry reflect the same tendencies that Barnlund (1) and Tung (22) observed, and might this account for some of the problems this area of trade has experienced? To address these questions, individuals working for companies directly involved in the U.S.-Japan lumber trade were interviewed on the topic of their intercultural communication. These individuals represent two links on a much longer chain in the distribution channel. **Figure 1** shows one possible distribution channel¹ for the transfer

The term "trade barriers" includes such well-known obstacles to international commerce as escalating tariffs, subsidies to protect domestic industries, and differing product specifications. Writers in recent years have extended their definition of trade barriers to include problems of intercultural communication, and modern communication theory suggests that cultural differences frequently lead to poor intercultural working relations, or even acts of military aggression (2). A history of contact does not mean that members of different cultures will necessarily know how to avoid conflicts stemming from such communication difficulties. Gudykunst, Yang, and

Nishida (9) found no support for the idea that increased communication between members of different cultures reduces tension. As Barnlund (1) notes, "Contact between nations has, more often than not, actually exacerbated existing antagonisms. Armed hostilities are more common across the borders of neighboring cultures than between cultures separated by great distance. Familiarity, it is said, breeds contempt, especially when contact consists only of uncomprehending confrontation."

Hall and Hall (10) identified several factors that make cultural interaction difficult. For example, cultures with a high level of context (in which less meaning is

¹ Although this distribution channel is typical, numerous variations exist. In the present study, "importer" refers to any Japanese entity (usually a multi-sector trading firm or a company specializing in timber) that purchases lumber directly from an American company; "exporter" refers to any American entity (usually a mill, wholesaler, or distributor) that sells lumber directly to a Japanese company.

The authors are, respectively, International Forestry and Forest Products Trade Consultant, 4040 SE 75th Ave., Portland, OR 97206-3422 (formerly Graduate Student, Dept. of Forest Resources, Oregon State Univ. (OSU); and Associate Professor, Dept. of Forest Resources, College of Forestry, OSU, Corvallis, OR 97331- 5703. This is Paper No. 3182, Forest Res. Lab, OSU. This paper was received for publication in February 1996. Reprint No. 8484. ©Forest Products Society 1997. Forest Prod. J. 47(3):38-44.

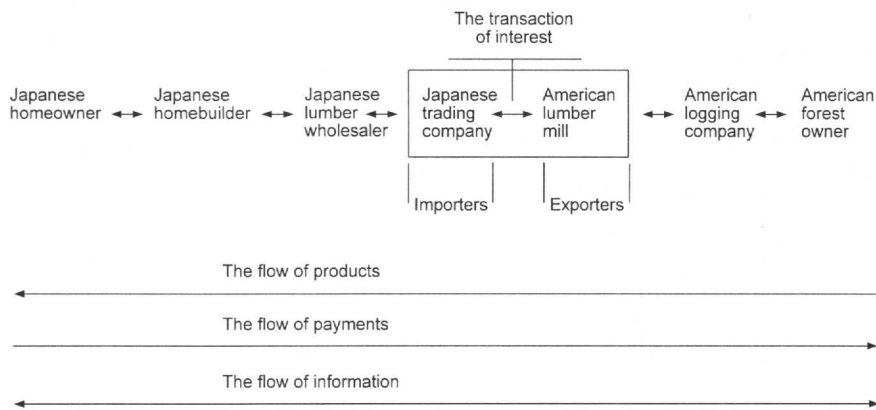


Figure 1. — A typical distribution channel for lumber from the United States to Japan. The area in the rectangle indicates which stops along the chain were included in the study. Also shown are the directions in which products, payments, and information flow.

of wood products from America's producers, through various levels of Japanese distributors, to the final consumer, the Japanese homeowner. These channels can take many different forms and can have various lengths. Regardless of their configuration, the linkage of interest to this study is between the American and Japanese companies who negotiate at the intercultural interface in the distribution sequence.

LITERATURE REVIEW: THE ROLE OF COMMUNICATION IN JAPANESE-AMERICAN TRADE

Other studies have addressed the effect of communication on intercultural business. Mostly such research is very recent and has been criticized for several shortcomings (17). It is more anecdotal than empirical, lacks a developed theoretical basis, and very little of the research confines itself to business communication. Hawrysh and Zaichkowsky (12) agreed that most of the writings in the field tend toward the descriptive instead of the theoretical, accounting for the large number of "how to" writings. Limaye and Victor (17) added that the constraints of time, planning, and expense discourage intercultural research.

A few major studies have nonetheless occurred. Hofstede (14) surveyed thousands of employees of one corporation in many countries, and from the results, defined the cultural dimensions in which each country ranked along a continuum between two extremes. These dimensions of cultural variability have subsequently been used in numerous studies

on cultural differences. The Japanese and American subjects showed significant differences in such variables as individualism: 46 and 91, respectively, on a scale in which zero represents extreme collectivism, and 100 extreme individualism. The two cultures turned up far apart also in the variable of uncertainty avoidance; the Japanese feel more anxiety in the presence of ambiguity and therefore have greater need of formal rules of conduct and less tolerance of deviation. Both of these differences have certain implications for the present study. We may ask, for example, whether Japanese collective decision-making meshes well with decisions made by lone individuals in American companies. We may wonder if a Japanese need for formal rules conflicts with an American preference for informality.

Graham and Andrews (6) analyzed direct negotiations among Japanese and Americans in a laboratory setting, trying to find answers to two open-ended questions: "How does cultural variation of the parties involved influence the process and outcome of marketing negotiations?" and "What happens when parties of the two cultures meet across a negotiation table?" The authors set up 12 negotiating dyads from among 24 businessmen, 12 each from the United States and Japan. The buyer/seller dyads included three Japanese/Japanese, three American/American, and six American/Japanese pairs. Each dyad bargained over the price of three commodities. The authors isolated a few of the difficulties

that Americans and Japanese experience in intercultural negotiation settings. Most importantly, they reported, was that when language problems occurred, both sides began to focus on quantitative information and ignored the qualitative. Therefore, the current study also considers the language competence of Japanese and American lumber traders.

Graham (5) found that in negotiating dyads, Japanese did much better as buyers than as sellers. This may reflect the higher status that buyers have over sellers in Japanese culture. Since in the lumber trade Japanese are almost always buyers, we might wonder if they enjoy or expect the same buyer status in international transactions as they do at home.

Tung (22) surveyed American companies operating in Japan to assess the factors (in such categories as attitude, cultural awareness, product characteristics, and personal relationships) that they felt contributed to success or failure of negotiations with Japanese companies. The category of factors with highest combined rating as "very important" or "important" to success of negotiations was a group called "attitude of U.S. firm," which included preparedness, patience, and sincerity. Other important factors were the Japanese team's sincerity (83%), uniqueness of the U.S. product or service (77%), personal ties (71%), and technical expertise provided by the U.S. firm in the past (68%). The present study addressed therefore the role of relationships and cultural values in the U.S.-Japan lumber trade.

Namiki (19) surveyed U.S. manufacturers of computer hardware about their experiences exporting to Japan. The participants rated the extent to which 13 factors posed barriers to their trade with Japan. The list included the often-mentioned problems of high tariffs and strict import quotas, but also contained the category of language and cultural differences. On average, the participants rated these cultural factors the 5th most important barrier on the list of 13, suggesting that future research should continue to investigate the role of these factors in computer and other product sectors.

Karrass (15) listed 45 characteristics of negotiators and asked more than 100 American executives to choose the most important from the list. Graham and Sano (7) built on this work by repeating the survey with 50 executives each from

Brazil, China, and Japan. After tallying the results, the researchers found that the American and Brazilian executives had six characteristics in common out of the top seven, Americans and Chinese had three, and Americans and Japanese had only one. This study clearly demonstrated that American and Japanese executives have different values. The present study, therefore, considered the role of culturally different values.

Finally, Hamada (11) conducted an ethnographic study at a joint U.S.-Japanese plastics company located in Japan. She discussed several disputes that the parent companies had over day-to-day operations and isolated the opposing assumptions implicit in their positions. For example, when the joint venture's products would not sell because of imperfect appearance, the American parent company tried to convince the Japanese parent to "educate" the consumers that appearance did not matter. The Japanese parent finally prevailed upon the American parent company that in fact appearance is an important characteristic to Japanese customers and that the product should adapt to the consumers, not vice versa. Similar arguments occur concerning lumber exported to Japan, so the present study looked into the importance and flexibility of Japanese standards and how well Americans understand them.

The readings support the idea that the Japanese and American cultures differ in significant and measurable ways, and that these differences become stumbling blocks in the world of business.

RESEARCH HYPOTHESES

Hypothesis 1: *Japanese importers and American exporters of lumber perceive communication in intercultural negotiation as problematic.*

This statement says communication problems have a tangible impact on the business U.S. lumber companies do with Japan. It leaves the definition of "problematic" open to allow participants in the study to self-define the problems they see in their intercultural relations with each other. Given the wide and varied gaps between members of the two cultures, it is to be expected that Japanese and American lumber traders will perceive

their intercultural communication as problematic.

Hypothesis 2: *The evaluation that the importers and exporters give of their own success at adapting their negotiating skills interculturally will not match the evaluation that they give of each other's success at adapting their negotiating skills interculturally.*

According to speech communication theory, any measure of communication competence will have to take into account not just how each communicator perceives his or her own performance, but to what degree the perceptions of all participants match each other (3,21). Therefore, the study asked both the importers and exporters to evaluate their own individual intercultural communication competence as well as the competence level of the other side collectively. Do the perceptions Japanese have of themselves in terms of intercultural communication competence resemble the perceptions the Americans have of the Japanese? We may ask the same of the Americans' competence. The widespread level of frustration between businesspeople from the two countries explains the hypothesis that indeed these sets of evaluations do not correspond.

RESEARCH DESIGN

This study gathered and analyzed data through three stages. First, the authors referred to numerous "how to" readings on the subject of intercultural business, either generally or specific to the United States and Japan partnership (4,8,10,13,16,18,20,22,23). Such readings suggested what communication problems frequently occur in intercultural business situations. These suggestions then led to a written survey that asked the participants to rate the extent to which these problems occur in their own experience. Finally, the survey results provided the basis for discussion themes used in semi-structured telephone or in-person interviews of the same individuals who had responded to the survey. In essence, the written survey functioned as a pretest of the semi-structured interviews because it refined the issues and clarified specific questions. The authors analyzed interview comments to answer the research hypotheses.

PARTICIPANTS IN THE STUDY

Various sources helped identify the population of interest. The Western Wood Products Association, Portland,

Oreg., and industry directories could identify American companies that export lumber to Japan, while the Japan External Trade Organization, San Francisco office, and faculty members in the College of Agriculture at Kyoto University provided lists of companies that import lumber from various sources. These combined sources generated contact information for 81 importers (35 offices in the U.S. and 46 in Japan), and 79 exporters in the states of Oregon, Washington, and Idaho. Seventeen individuals from Japanese companies and 18 from American companies responded with completed surveys, for a combined response rate of 22 percent. Of these, 14 Japanese and 17 Americans granted follow-up interviews.

PRETEST/WRITTEN SURVEY

The written survey identified aspects of intercultural communication during the act of negotiating that hindered the trade of lumber. Two versions of the survey, one in English, the other in Japanese, were sent to American and Japanese participants, respectively. The surveys included a series of statements concerning problems suggested by the literature. Each statement suggested that a certain problem did not occur, for example, "Japanese importers are sufficiently willing to compromise on quality considerations." Participants answered on a Likert scale of 1 to 5; 1 = strongly disagree, and 5 = strongly agree, with a "no response" option. In other words, responses of 1 or 2 were interpreted to mean that a problem exists, 3 is neutral, and a 4 or 5 was inferred to mean there is no problem. No statistical analysis of intergroup differences was intended for this part of the study. Rather, the authors chose to use the statements with the lowest mean response as the basis for interviews.

The questions and mean response rates for the questions motivating the interviews are shown in **Table 1** (Japanese respondents; $n = 17$) and **Table 2** (American respondents, $n = 18$)². Japanese respondents gave the lowest mean scores on questions related to the following issues: Americans and Japanese frequently have dissimilar world views, Americans and Japanese have different preferred paces in making agreements, Americans do not allow enough time for Japanese-style decision-making, and Americans do not allow contracts to be renegotiated when circumstances change. The Ameri-

²The complete survey and results are available from the authors.

TABLE 1. — Statements with lowest mean response by Japanese importers of American lumber (English translation).^a

Statement no.	Statement and response summary
7	American exporters and I have similar world views. (n = 15, mean = 2.7, number of 1's and 2's = 6)
12	American exporters do not move too quickly in making agreements. (n = 17, mean = 2.9, number of 1's and 2's = 6)
13	American exporters allow enough time for Japanese-style decision-making. (n = 15, mean = 2.7, number of 1's and 2's = 7)
20	American exporters allow for flexible contracts which can be renegotiated if circumstances change. (n = 15, mean = 2.2, number of 1's and 2's = 9)

^a Participants responded by using a Likert scale: 1 = strongly disagree; 2 = disagree; 3 = neutral; 4 = agree; 5 = strongly agree; NR = no response.

TABLE 2. — Statements with lowest mean response by American exporters of lumber to Japan.^a

Statement no.	Statement and response summary
10	Japanese importers are sufficiently willing to compromise on quality considerations. (n = 18, mean = 1.8, number of 1's and 2's = 14)
13	Japanese negotiators are able to make commitments "on the spot," that is, they can make commitments without long consultations with their companies. (n = 18, mean = 2.6, number of 1's and 2's = 9)
14	Japanese importers do not delay business by insisting on building relationships first. (n = 18, mean = 2.5, number of 1's and 2's = 10)
16	My negotiations with Japanese importers tend to have balanced sides (e.g. equal number of members on each side, negotiators with equal rank). (n = 16, mean = 2.6, number of 1's and 2's = 7)

^a Participants responded by using a Likert scale: 1 = strongly disagree; 2 = disagree; 3 = neutral; 4 = agree; 5 = strongly agree; NR = no response.

can respondents indicated that Japanese are less willing to compromise on quality, Japanese negotiators make commitments slowly, Japanese delay business by insisting on building relationships first, and negotiations with Japanese have unbalanced sides.

The interviews were semi-structured, allowing for open-ended lines of discussion regarding the research questions. The basic interview format allowed the participant to pursue any topic he desired to talk about within the confines of the study, and in any sequence. So while no rigid pre-determined format was followed, the interviews were "guided" through three primary areas: open-ended questions asking the participants to elaborate on their survey responses; a chance to respond to comments made by members of the other culture; and finally, opportunities to qualitatively evaluate the degree to which their intercultural communication actually hindered their business.

RESULTS AND DISCUSSION

HYPOTHESIS 1: INTERCULTURAL COMMUNICATION IS PROBLEMATIC

This research hypothesis proposes that communicating interculturally between American and Japanese lumber companies would contain certain difficulties. The interviews were conducted to explore specific problems. While participants noted numerous problems, four in particular came up repeatedly: 1) the role of interpersonal relationships; 2) culturally different time frames; 3) culturally different product standards; and 4) the flow of information. Each of these will be discussed.

The role of personal relationships. — Wood products traders highly value personal relationships. Friendships run deep between individuals in this industry. As a result, lumber companies do millions of dollars of business over the phone: "a lawyer's nightmare" in one exporter's words. Importers and exporters alike felt this could not occur without a great level of trust.

A long-term business relationship between Japanese and American companies offers tangible benefits to both. For example, certain respondents mentioned incidents where they feuded strongly with their partners, in one case to the point of a lawsuit. But in each case, the partnership endured, and each of these individuals credited it to the longevity of the relationship. Members of both cultures valued the sustained business that such relations assure.

According to several participants, initiating the relationship is far more difficult than maintaining it. In the words of one exporter, trying to establish business with the Japanese resembles the chicken-or-egg paradox: Japanese companies want to do business with companies they have worked with before, but how does one establish such a relationship?

The Japanese side typically begins the business relationship by seeking out the contact and placing a small trial order. Unlike later orders, the Japanese buyer places the order quickly and does not specify a great deal about product quality. One importer noted that they place the order just to "see how things go." If the customer is satisfied, more orders follow and continue to grow with the relationship. The "courtship" process, which the Japanese insisted on performing in the past was much more difficult and time-consuming, according to one exporter. But even today, he added, it is the Japanese who initiate 90 percent of these business relationships and determine the pace at which they evolve.

Both the Japanese and American interviewees expressed various frustrations with their trans-Pacific relationships. The Japanese stressed how their companies typically form business partnerships for life. Over the long term, this offers the customer a reliable supply of the desired good, and the producer can depend on the customer's business. In contrast, according to several Japanese, Americans are more interested in short-term profits than long-term sustained business. This can have several undesirable consequences. For one, American suppliers do not typically try to keep their prices stable during market volatility. In other words, if the American market is very active, the producer expects Japanese customers to pay a higher price, even if the Japanese market has stalled, as it has in recent years. One

importer claimed that Canadian producers are much more interested in long-term relationships with the Japanese companies, and so are more willing to stabilize prices even in volatile times. In response, some American companies said they have built up relationships with Japanese customers over the years and have made price adjustments and taken other actions to preserve the relationship. But other companies indicated they could not do this.

Culturally different time frames. — Virtually all participants in the study had an opinion on pacing: the speed at which business occurs. In a typical situation, the Japanese side has inquired about a possible order and the American side has offered a quote and is left waiting for an answer. Whereas an American customer can make such a business commitment in 1 or 2 days, the Japanese might take a week or more.

Importers point out that their companies may supply hundreds of small customers in Japan, and, says one exporter, the Japanese have far more product categories than U.S. customers do; they may require 30 or 40 different dimension combinations for basic lumber. This complexity adds to the time required to gauge inventory needs properly. A number of participants from both sides mentioned that the Japanese decision-making style simply takes more time. Individuals often do not have the authority to make decisions for the company; exporters joke that the buyer needs permission from everyone "up to God." Besides the hierarchy, Japanese trading companies frequently make decisions by consensus, and this takes extra time also.

This gap in the preferred pace of business creates a conflict when an American producer has made a price offer, the Japanese customer has not decided, and another customer comes in ready to buy the same product. According to the Japanese, the American company will all too often take the latter offer. Exporters fault the Japanese for not moving faster, but the Japanese feel that an offer implies a promise to wait as long as the customer needs. Failure to do so amounts to betrayal.

While it hurts the Japanese buyer when Americans sell previously offered goods, the producer can also experience unpleasant consequences. One Japanese importer pointed out that his company

prefers not to do business with smaller producers because these are the ones more likely to engage in such conduct. Companies more willing and able to wait, can expect more long-term business from the Japanese.

Culturally different product standards. — American sawmills recognize the Japanese market's stringent product standards. In part, construction styles that make wood more visible motivate this concern for quality/appearance. But the link between quality and appearance is not a direct, unambiguous relationship. For example, one exporter related an example from his own experience: a log can yield so many boards of Japanese standard, but if the customer would accept boards with a slight amount of wane (taper at the edge) the mill can increase that number. Although the wane would not affect structural performance, such boards are of little value to the Japanese customer. As one exporter put it, American wood products companies recognize a need to optimize physical output from raw materials; Japanese want to optimize quality. Applying similar reasoning to the adoption rate for engineered wood products in Japan raises some interesting questions. While these innovative products create new end-use opportunities, they often do not visually resemble "wood." The rate of sales growth of engineered products in Japanese will be dampened to the extent that Japanese consumers continue to emphasize aesthetics over structural utility.

Additionally, American companies have encountered problems selling lumber of American dimensions in a metric market. A number of importers claimed that the American companies don't seem to know or care how their products are used in Japan, and thus make products ill-suited to the Japanese marketplace. American companies, they say, do not have much interest in the export market simply because of sufficient domestic demand. Some of the importers indicated that as a region, the Pacific Northwest is doing better than others in learning about the Japanese market. As one importer said, that region's relative distance from many of the U.S. market hubs makes it more sensitive to the opportunities of exporting.

The flow of information — A number of interviews suggested that some trade problems arise not from differences in preference, but rather from lack of

knowledge. **Figure 1** shows the flow of lumber toward Japan and payments toward America. The arrows can also represent the two-way flow of information. Emanating from many producers, especially small ones, is the information that the timber base is shrinking and cost of production is rising. For these companies, efficiency takes a high priority. Also, in a competitive environment, companies in such a situation naturally seek short-term profits over long-term relationships with their customers.

The various levels of customers in Japan send out information as well, such as the fact that Japan's emphasis on the consumer and small inventory-holding capacity requires deliveries as just-in-time as possible. The Japanese company also feels constrained by its traditional trade channels, and cannot easily find markets for new materials.

The importers and exporters in this study seemed rather familiar with each other's perspective, but these individuals were only one step away from each other in a chain that might contain half a dozen transactions. The homebuilder's opinion, as discussed, affects every transaction that the importers and exporters make, and even some of the Japanese companies do not know this person. The number of transactions limits how much each side learns of the other. This constrained flow of communication reinforces the frustrations that the two sides spoke of in this study.

However, certain changes are occurring in the industry that could bring the producer and final user into closer contact. Two importers reported that their companies have established housing divisions, which are free to use whatever materials they wish. The importer has become the final user, eliminating several intermediate layers. Smaller companies are finding their own ways around the trading companies by establishing ties directly with suppliers. To the extent that these trends bring the producer and final user into more immediate contact, they promise to increase understanding of each other's circumstances.

Other problems mentioned. — Interviewees mentioned other problems, such as language competence, a Japanese tendency to speak indirectly, and the perception that Americans are not really interested in the global market. The Japanese admitted to having linguistic difficulties,

TABLE 3. — A checklist of tips to improve communication in international lumber trade.

For Americans
___ If your partner is willing to tell, find out who are your partner's clients (i.e., other companies who will handle your product) in Japan.
___ Avoid dealing directly with your partner's customers.
___ Find out how your product is ultimately used in Japan.
___ If possible, give the Japanese buyer as much time as he needs to accept or reject an offer.
___ Invite the customer to visit your mill operation.
___ Develop personal relationships by spending non-business time together.
___ Have one or two individuals on staff (customer account representatives) who are familiar with and can serve as contacts for a specific customer. (The customer likely prefers to contact an individual rather than a department.)
For Japanese:
___ If possible, indicate how long a decision to buy may take.
___ When rejecting a product, state your reasons directly.
___ Do not demand extra value (such as millwork) without paying a higher price.
___ Stay in contact with the partner during the decision-making process.
For both Japanese and Americans:
___ Learn as much as possible about the trading partner (i.e., company history.)
___ Become familiar with market conditions in your partner's country.
___ As much as possible, eliminate the problem of language competence; make sure both sides can speak one or the other language competently.
___ Keep written records of meetings and share these with your partner, having them translated if needed.
___ Communicate in writing (memos, fax) as much as possible, especially when numbers are involved.

some with the English language in general, some specifically with technical terms. These deficiencies have led to lost sales in some cases. For example, one Japanese company took 10 years to come up with contract language that guaranteed on-time deliveries. One Japanese subject felt his language incompetence gave Americans the convenient excuse: "You must have misunderstood."

Several respondents (including one Japanese) saw Japanese indirectness as problematic, believing that being more forthcoming would help the two sides to work efficiently and the producers to improve their products and services.

Most U.S. companies have traditionally had more sales domestically than abroad; this independence from the global market has constrained their understanding of how relations with foreign companies work. Such American companies are unaware of a strong Japanese desire for a steady product flow at reasonably stable prices over the long term.

**HYPOTHESIS 2:
SELF-EVALUATION WILL NOT
MATCH CROSS-EVALUATION**

Survey statements that drew low mean responses (listed in **Tables 1 and 2**) from each set of participants became the basis for further interviews on this topic. It appears that contract renegotiability

and negotiation pace are particular areas of concern.

Contract renegotiability. — Both sides agreed that Americans are less likely than Japanese to allow renegotiation of a signed contract. We should make two interesting points, however. There are some American companies that will agree to renegotiate out of deference to the relationship. And in those cases where they will not, the Japanese partners do not expect them to. Despite the fact that renegotiation commonly occurs among Japanese companies but not with American companies, all individuals expressed satisfaction with the arrangements they had worked out with their partners, whether it allowed renegotiation or not. This reinforces the point that when both partners perceive a situation similarly, their communication is more successful, even if their individual preferences diverge.

In other cases, both sides acknowledge that a certain situation exists, but disagree on the cause or solution. For example, the answers of American respondents suggested a perception that Japanese are unwilling to compromise on quality. Most of the importers responded that they are indeed willing to compromise on quality when they can. But as so many of the interviews revealed, the importer does not set the standard of quality; the importer's cus-

tomers do. We conclude that both sides agree that Japanese importers find it very difficult to compromise on quality. Where they differ is that Americans felt the Japanese do not *want to* compromise; Japanese felt they *cannot*.

Negotiation pace. — In discussing the question of pacing, again both groups agreed on the nature of the situation but not on its cause. Both recognized that their preferred pace of doing business does not always coincide. The reasons Japanese want to move slower and Americans faster are not always known to each other. Japanese respondents stressed how little they could do personally to change the hierarchical system of their companies, and some (not all) Americans were aware of this. On the other hand, while both sides acknowledged that American producers desire to move the product quickly, the Americans called this economically wise while the Japanese considered it a sign of American lack of interest in long-term business. This divergence of perceptions has generated significant mistrust between individual companies.

In sum, the two groups shared similar perceptions on certain matters, particularly on the nature of interactions, but their perceptions of motivations diverged more notably. On balance, the two sides have developed workable partnerships, but these partnerships could stand improvement. If both understood the constraints behind each side's negotiating behavior, they could interact more constructively.

**IMPLICATIONS AND
CONCLUSION**

Lumber is but one of many U.S. industries looking for greater business abroad, especially in Japan. The results of this study may have implications for other industries in this position, but we feel the implications apply most specifically to wood products companies. U.S. wood products manufacturing has several advantages favoring trade with Japan, especially in terms of relative resource supplies.

The study found widespread recognition that culturally insensitive negotiation can harm business relationships, and discovered examples specific to wood products trade. Given the body of research on the difficulties in U.S.-Japanese business negotiation more broadly, replicating that general result in the lum-

ber industry is not surprising. The study also shows that some participants had managed to avoid such problems, suggesting that those more willing and able to adapt to their trading partners' expectations will do more international business than those who cannot or will not. These findings indicate that lumber exporters hoping to enter the Japanese market ignore issues such as personal relationships and negotiation pace at their own peril. Lumber traders functioning at the U.S.-Japan interface will need to continue to adapt. With fewer intermediaries between American companies and Japanese end-users, the flow of both information and products is more streamlined, but this also challenges the trading companies' expertise at managing intercultural accounts. The potential for communication-based friction goes up as a result.

In the course of the interviews, the traders who participated in the study frequently offered advice on improving communication with partners from the other culture. **Table 3** summarizes this advice in checklist form.

CAVEATS

The current study addressed only those individuals at the cultural interface of U.S.-Japan trade, not anticipating the importance of the homebuilders and other links along the distribution chain. It began with the presumption that high-context Japanese and low-context Americans would have difficulty interfacing. Of course, the study itself, which brought together an American researcher and Japanese subjects, had to face the same difficulty. Conducting interviews in the appropriate language ameliorated the communication difficulty somewhat. Doing all interviews in person would have helped also, but this was only possible with some.

By surveying only those companies presently trading between the U.S. and Japan, the study predisposed a sample with a degree of satisfaction with this trade (otherwise they would not take part in it.) Companies that had dropped out of this trade or had never entered it therefore had no voice in this study. As a result, this study may understate the intercultural business challenges. The study also restricted the sample of American companies to those working out of the Pacific Northwest, not anticipating that the Japa-

nese would remark on regional differences among Americans. Since the Japanese who mentioned these differences gave higher marks to Northwest companies, we might wonder how the results would differ if we had included producers from other regions of the United States. Again, we might find additional challenges if traders from less-successful regions were added.

That only males responded to the study reflects the fact that few women work in this area of trade. Women who enter the field of marketing wood products to Japan (and some do) should understand that the Japanese have highly differentiated expectations regarding gender roles in the workplace, an issue which did not come up at all in this research.

Finally, the limited size of the two samples should make us cautious about applying and extrapolating the results beyond the individuals who participated in the study. Future research should increase the sample size, especially if statistical comparisons are a goal.

FUTURE RESEARCH

Further research on this topic should attempt to avoid some of these limitations by including the opinions of more than just those currently trading with the other country and possibly including members from other steps on the distribution chain, not just those who deal directly with the other culture. Attention could also focus on attempts to improve intercultural business communication. For example, researchers might take one subject's idea of creating an instructional video to show American suppliers how Japanese homebuilders use wood products, and measure if such instructional techniques actually prove helpful. We should certainly explore the various new trade links between wood products producers in America and consumers in Japan, seeking to determine if the participants have more satisfaction or not with these new arrangements.

LITERATURE CITED

1. Barnlund, D.C. 1989. Public and private self in communicating with Japan. *Business Horizons* 32(2):32-40.
2. Berger, C.R. 1987. Communicating under uncertainty. *In: Interpersonal Processes*, M.E. Roloff and G.R. Miller, eds. Sage Pub., Newbury Park, Calif. pp. 39-62.
3. Collier, M.J. 1993. Cultural identity and in-

- tercultural communication. *In: Intercultural Communication: A Reader*, L. Samovar and R. Porter, eds. Wadsworth, Belmont, Calif. pp. 36-45.
4. Flannigan, T. 1990. Successful negotiating with the Japanese. *Small Business Reports* 15(6):47-52.
5. Graham, J.L. 1983. Brazilian, Japanese and American business negotiations. *J. of Inter. Business Studies* 14(1):47-61.
6. _____ and J.D. Andrews. 1987. A holistic analysis of Japanese and American business negotiations. *J. of Business Communication* 24(4):63-77.
7. _____ and Y. Sano. 1984. *Smart Bargaining: Doing Business with the Japanese*. Ballinger, Cambridge, Mass.
8. Grimes, D.F., Jr. 1989. Doing business with the Japanese. *Economic Development Rev.* 7(3):35-40.
9. Gudykunst, W.B., S.M. Yang, and T. Nishida. 1985. A cross-cultural test of uncertainty reduction theory: comparisons of acquaintances, friends, and dating relationships in Japan, Korea, and the United States. *Human Communication Res.* 11:407-455.
10. Hall, E.T. and M.R. Hall. 1987. *Hidden Differences: Doing Business with the Japanese*. Doubleday, New York.
11. Hamada, T. 1991. *American enterprise in Japan*. State Univ. of New York, Albany, N.Y.
12. Hawrysh, B.M. and J.L. Zaichkowsky. 1991. Cultural approaches to negotiations: understanding the Japanese. *European J. of Marketing* 25(4):14-21 and 49-52.
13. Herbig, P.A. and H.E. Kramer. 1992. Do's and don'ts of cross-cultural negotiations. *Industrial Marketing Management* 21(4):287-298.
14. Hofstede, G. 1984. *Culture's Consequences*. Sage Pub., Beverly Hills, Calif.
15. Karrass, C.L. 1970. *The Negotiating Game*. Crowell, New York.
16. Knowles, P.L. and K. Maio. 1990. *Nichibei Bijinesu Nego no Honne (Face to Face in Negotiations.)* Gakuseisha, Tokyo, Japan.
17. Limaye, M.R. and D.A. Victor. 1991. Cross-cultural business communication research: state of the art and hypotheses for the 1990s. *J. of Business Communication* 28(3):277-99.
18. March, R.M. 1988. *The Japanese Negotiator: Subtlety and Strategy Beyond Western Logic*. Kodansha International, Tokyo, Japan.
19. Namiki, N. 1989. Japanese trade barriers: perceptions of small business exporters. *Advanced Management J.* 54(1):37-41.
20. Rowland, D. 1993. *Japanese Business Etiquette: A Practical Guide to Success with the Japanese*. 2nd ed. Warner Books, New York.
21. Spitzberg, B. and W. Cupach. 1984. *Interpersonal Communication Competence*. Sage Pub., Beverly Hills, Calif.
22. Tung, R.L. 1984. How to negotiate with the Japanese. *California Management Rev.* 26(4):62-77.
23. Zimmerman, M. 1985. *How to Do Business with the Japanese*. Random House, New York.