

A GUIDE TO

BRIDGING THE CULTURAL DIVIDE

AJCC-JABCC FUTURE LEADERS PROGRAM

Australia Japan Business
Co-operation Committee
AJCC

Japan Australia Business
Co-operation Committee
JABCC



In memory of

David Jacobs AM

*Without whose guidance and support
this publication would not have been possible*

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FOREWORD

Australia and Japan share perhaps the most enduring relationship in the Asia-Pacific region. Built on mutual trust and respect, it has been forged through decades of economic and diplomatic exchanges which have seen both nations benefit economically, strategically and culturally.

All relationships need to be fostered and maintained, and the deep ties between Australia and Japan are no different. Static relationships run the risk of becoming obsolete and complacency through familiarity can damage even the most longstanding friendships. Time, effort and innovation are required to engage both sides of the cultural divide and ensure that existing partnerships continue to flourish.

Right now, the bond between Australia and Japan shows no signs of waning. The bilateral business environment is expanding rapidly thanks to Japan's increasing investment in Australia's renewables, smart city infrastructure, fintech, telehealth and artificial intelligence sectors. Australia counts Japan as its second-largest trading partner, and the evolving geopolitical and demographic landscape across the Asia-Pacific region is set to ensure the bilateral relationship remains a priority for both nations.

The key to maximising any cross-cultural partnership lies in mutual understanding and integration. Being polite and authentic is undoubtedly important, but this may not be enough if parties involved cannot communicate effectively and productively. Navigating the complexities of cross-cultural etiquette in and out of the boardroom is no easy feat. True cultural literacy can take significant time without a little help from those who have crossed this bridge before you.

This guide features 24 anecdotes from Australian and Japanese professionals who have lived and worked across the cultural divide for many years.

Their experiences provide direct insights into the day-to-day management of Australia-Japan business relationships, highlighting the need to modify approaches according to culture and generally how to increase the prospect of success in Australia and Japan.

Cultural identities and experiences fall on a broad spectrum and, while there are countless generalisations about doing business in Japan or Australia, there is no substitute for first-hand experience as a teacher. While not intended to be a definitive resource, we hope the accounts in this guide enable readers to approach their future exchanges across the cultural divide with greater awareness of their own biases or pre-conceived assumptions, and a healthy appreciation that there will be much to learn along the way.

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COMMUNICATION 101

Hidden meaning?

As an Australian board member for a large Japanese bank, I regularly travelled to Japan to meet with locally based staff, including our Head of International Banking. One morning, he asked for my opinion on the financial position of an Australian company that had recently borrowed money from our bank. I suggested that we “lend cautiously” and that “it would be a good idea to review their balance sheet” as I was “concerned about their tax position”. He thanked me for my input and the topic of conversation changed.

Later that day, a Senior Manager reporting directly to the Head of International Banking called me. The Senior Manager said the Head of International Banking called him as soon as our morning meeting ended, outraged that the loan we discussed had been approved without proper due diligence.

Confused, the Senior Manager asked me exactly what I had said during the meeting. After relaying our conversation, the Senior Manager explained that in Japan, saying you should “lend cautiously” or that you are “concerned about a tax position” is equivalent to saying, “the company is going to go bankrupt tomorrow”.

This meant the Head of International Banking had not interpreted my words as simply a blunt opinion, as most Australians would offer when asked. Instead, although the conversation was between a Japanese person and a Westerner, it had been interpreted in a Japanese context.



PRACTICAL TIP:
Always use moderate language and deliver your message in several different ways to increase the likelihood that it will be understood correctly.

LEARNING:
Be aware that words may be interpreted differently across the cultural divide, not only because of language differences but also due to cultural differences.
In Australia, good communication is precise, simple and clear. Messages are expressed and understood at face value. Communication in Japan is nuanced and layered, meaning messages are spoken, implied or perhaps purely contextual, requiring participants to read between the lines.
Ensure that your communication style — its tone, structure, how you reach conclusions and agree on next steps — is altered accordingly to suit your audience for both written and oral interactions.

PRACTICAL TIP:
Temper your words and tone according to culture. If ambiguities arise, clarify any questions either while giving feedback or shortly afterwards by approaching key individuals who have a sound understanding of both cultures.

Open to (mis)interpretation

While working on the board of a subsidiary of a global company, we hired a new Australian CFO who determined the best way forward for the company was to acquire a larger, complementary business. It was a logical step and the CFO put a significant amount of effort into researching and compiling a presentation for the company’s Japanese shareholder.

Due to our profitability at the time, it was difficult to secure the capital needed for this acquisition. The feedback from our Japanese shareholder was very polite and, although somewhat indirect, almost encouraging. They said that it would be “challenging” and that they “needed more information”, when in reality they meant that the acquisition would be impossible at that time.

The Australian team didn’t pick up on the subtle meaning of the Japanese shareholder’s messaging nor did they recognise the need to manage our expectations. This miscommunication led to the CFO increasing his efforts and becoming emotionally invested in the proposal.

Some months later at a strategy session in Tokyo, I spoke privately with a representative from the Japanese shareholder. He revealed the CFO’s proposal would not progress any further, which completely surprised us as we felt as though it came without warning.

Our Australian team felt that had the original messaging been made clearer, significant time and energy could have been saved and we could have avoided having to start from scratch on a new proposal.

LEARNING:
Feedback is usually given and received in contrasting ways across the cultural divide.
For an Australian audience, negative feedback is often given in precise, direct terms, while in Japan it may be vague or indirect, as it is rude to say “no” in plain terms. Issues can arise when set phrases which imply “no” in Japanese do not convey the same meaning when translated into English.

Small fish in big ponds

One of my key mantras for doing business in Japan is “seek to understand before you seek to be understood”. During my time in Japan as an Australian senior executive, I learnt that you should never underestimate your business partners. I often met with representatives from Australian mining companies who were surprised by how much their Japanese counterparts knew about Australia and their operations. They would often proclaim the Japanese companies “knew more about Australia than they did”, overlooking the fact that many Japanese companies had been long established in Australia and were extremely diligent, informed trading

partners.

On the flipside, I often observed these same companies overestimate their brand and capabilities in Japan. Though they were household names in Australia, many Japanese people had never heard of them. Up against strong brand recognition and connections to the local community and government, Australian companies had to significantly adjust their strategies to compete in the Japanese market.

Not everyone’s on a first name basis

I spent 5 years as an Australian executive at a Japanese corporation where there was a high turnover of executive staff due to differences between hierarchical and egalitarian leadership styles.

Australians don’t usually adopt formalities in the workplace, but in Japan this is standard practice. To deepen my relationships with Japanese executives, I would refer to them by their titles, such as *shachou* (Mr/Mrs Chief Executive Officer) or *joumu* (Mr/Mrs Managing Director) in place of their first or last names.

Although this is unnecessary in Australian business culture, it was crucial to show that I respected their place in the hierarchy. As the saying goes, “it’s always better to overdress than underdress”, especially when doing business with Japan. This degree of humility and respect is required when interacting in other contexts too, such as with teachers, doctors, and even members of your own family. Adopting these predefined protocols will allow cross-cultural interactions to run smoothly and the upmost respect to be conveyed.

RESPECT

LEARNING:

Local companies hold significant advantages that foreign companies entering the market can’t rely on, such as connections to the local community or government and brand recognition. An international track record doesn’t always carry over in Japan.



PRACTICAL TIP:

Remain humble. Be wary of making assumptions about how your company is perceived in a local market and of coming across as aggressive or arrogant.

You may need to demonstrate the value of your company from scratch rather than expecting access or recognition.

LEARNING:

In Japan, executives have typically worked up the organisational hierarchy during many years of service. In Australia, executives are hired at various stages of their career based on how their capabilities align with business needs. While executives in both cultures are equal in seniority, the individuals in these roles may not be of comparable age or experience.

PRACTICAL TIP:

If in doubt, address someone by their full name and title. You will be quickly informed if this is unnecessary.

BUILDING RELATIONSHIPS

The coffee consult

As a Japanese senior executive working in Australia, I was tasked with engaging several Australian stakeholders to get a project moving. Our meetings were complex at times, compounded by language barriers, so they were not always as productive as I had hoped. We would often leave business unattended to or fail to reach planned outcomes.

I felt if I had been undertaking this project with Japanese stakeholders, we would have been able to go to dinner, establish deeper relationships and understand each other better which would, in turn, have led to better results. Instead, an Australian contact suggested I try having coffee with the stakeholders as a way to form personal relationships before we had our formal meetings. These “coffee catchups” were an effective substitute for the Japanese business practice of dinner and drinks, enabling both sides to gain clarity on our goals ahead of our formal meetings.

I was able to share my company's position and plan for the remainder of the project in a café far more easily than I could have in the meeting room. The more casual setting made a noticeable difference to productivity and trust between the parties.

LEARNING:

In Australia, it is quite common to catch up over coffee with those you would like to keep in touch with from both your personal and professional circles. New ideas are often generated from these casual conversations, which could lead to more formal business engagement in due course.

PRACTICAL TIP:

Casual discussions are important in both Japan and Australia, although they tend to happen in different environments. These exchanges can expand your personal network and lay the foundations for improving business outcomes.

In it for the long haul

In Japan, business is highly influenced by loyalty – more so than in any other part of the world. I was an Australian senior executive for a company which had a team of 80 people fulfilling a construction contract for a long-term client. We had maintained a relationship with this client for 7 or 8 years.

During this time, our client's direct competitor pitched a construction contract to me that would have required a team of at least 200 staff. I had to decide whether to take up the newer, more profitable construction deal and cut ties with our long-standing client or stand by our relationship and decline the new opportunity.

Despite the top down pressure from head office in Australia, I decided taking the larger contract would fracture the relationship with our longstanding client. I declined the opportunity knowing in due course our loyalty and commitment would pay off given the value that Japanese companies place on long-term relationships.

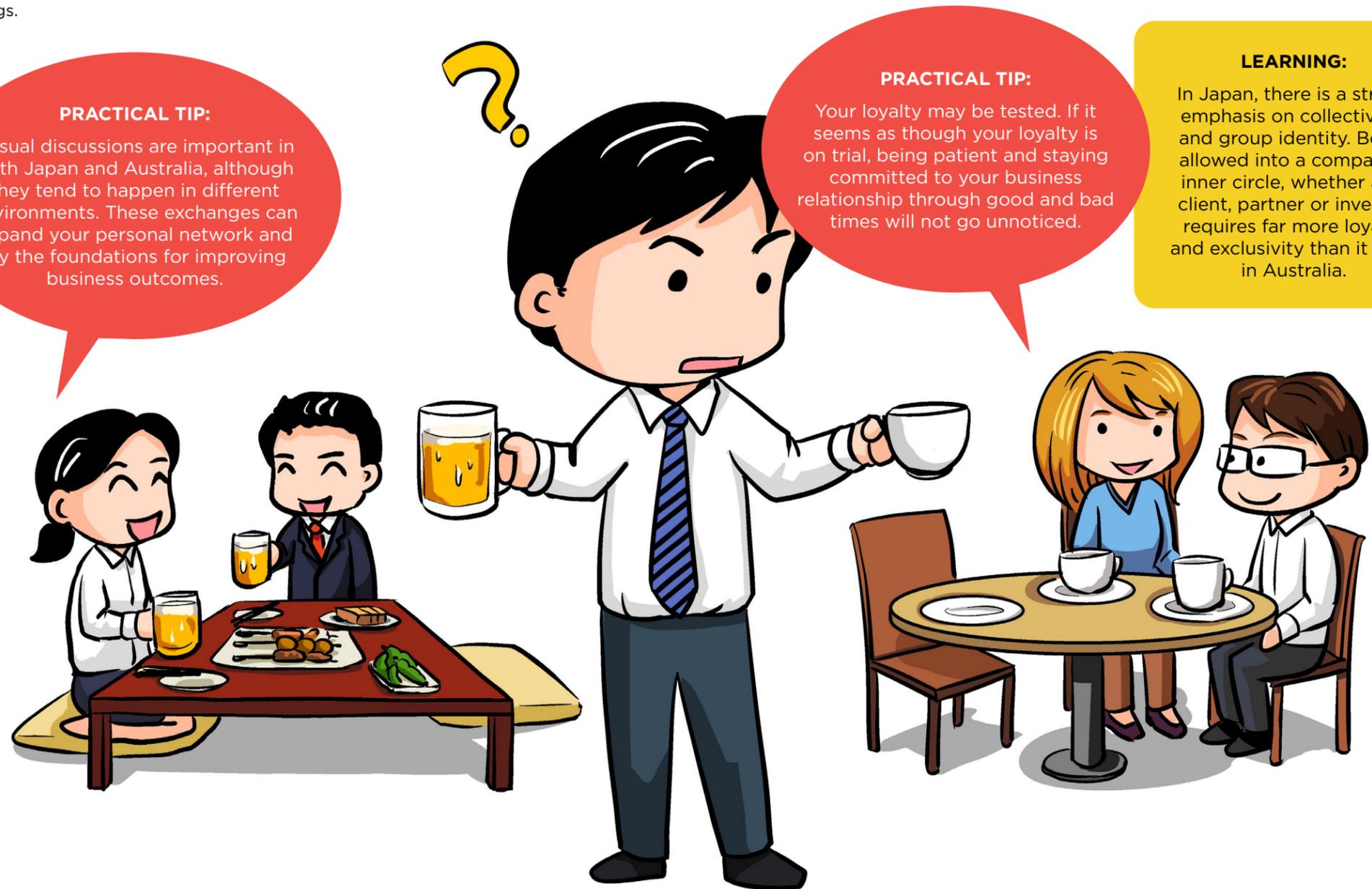
About 3 years later, our original client completed a significant deal and increased our services. This resulted in a construction contract requiring over 500 staff and we have continued working with this client ever since. Respecting our long-term relationship ultimately led to greater and more sustainable profitability than if we had not been faithful to them when other opportunities arose.

PRACTICAL TIP:

Your loyalty may be tested. If it seems as though your loyalty is on trial, being patient and staying committed to your business relationship through good and bad times will not go unnoticed.

LEARNING:

In Japan, there is a strong emphasis on collectivism and group identity. Being allowed into a company's inner circle, whether as a client, partner or investor, requires far more loyalty and exclusivity than it does in Australia.



THINKING STYLES

LEARNING:

Different outlooks on timing and projected outcomes can be an obstacle to achieving mutually agreeable outcomes and may cause deals or joint ventures to fail.

PRACTICAL TIP:

Outline your short-term and long-term objectives. Give your business partner a draft timeline or more formal mission statement at the outset. This will help ensure that both parties' expectations are managed.

PRACTICAL TIP:

Prior to commencing a joint venture, use the due diligence phase to test the level of support for growth strategies based on relationships with companies that the Japanese partner does not own or control.

As the relationship evolves, assumptions about what each partner is bringing to the joint venture needs to be regularly reassessed and tested for current validity.



Next week or next decade?

The members of “The Alliance”, a coalition of airlines from around the world, often entered business partnerships to co-operate with members not only to achieve financial results, but also to contribute to the economic development of the countries they operated in.

Different thinking styles between cultures meant at times it was difficult to reach agreements between airlines from Western and Asian countries. For example, when undertaking business planning activities, the Japanese corporations typically focused on long-term growth opportunities, looking past short-term challenges related to implementation. This mindset was influenced by Japan’s lifetime employment system and the composition of company boards being predominantly comprised of internal executives.

The Western corporations instead tended to focus on short-term to medium-term profits. Their employees often changed companies and directors were sourced externally which inadvertently placed greater emphasis on the “here and now”.

Expectations vs reality

As partner at an international law firm, I often worked on joint ventures between Australian and Japanese companies. Traditionally these partnerships were in the energy, minerals and agriculture sectors, securing long-term offtake for products critical to the Japanese economy.

In the early 2010s, these deals diversified into new sectors where Japanese investment was, in some cases, built around utilising global networks to deliver growth opportunities for Australian business partners.

One particular joint venture saw a Japanese company offer their Australian partner financial and technological support. The Australian partner was hopeful they could leverage their new partner’s seemingly strong business relationships to drive its expansion plans.

In reality, the Australian and Japanese companies had different expectations of one another. While the Japanese partner had great relationships and could make introductions, it was often a minority participant in the investments and was neither the manager of the business nor responsible for procurement. This meant much anticipated introductions often received neutral responses as there was resistance to related party transactions or longstanding incumbent suppliers.

LEARNING:

Aligning strategic and commercial objectives between cross-cultural businesses requires work and sophistication. When there is a mutual misunderstanding at the beginning of a joint venture, particularly when derived from different thinking styles, the likelihood of disappointment and tension in the relationship is magnified.

ACHIEVING RESULTS

Grassroots engagement

As a Japanese senior executive, I oversaw a significant post-merger integration process after the Japanese company I worked for acquired an Australian company. I sensed the Australian staff were anxious because it wasn't clear what changes would follow. To put them at ease, I shared with them the bigger picture, including what it meant to be a part of a global Japanese company and what the Australian company was expected to contribute as a subsidiary.

I firmly believed that enabling the Australian side to see the bigger picture would expedite integration between our businesses, increase employee engagement and ultimately, ensure that all parties were working towards the same goals.

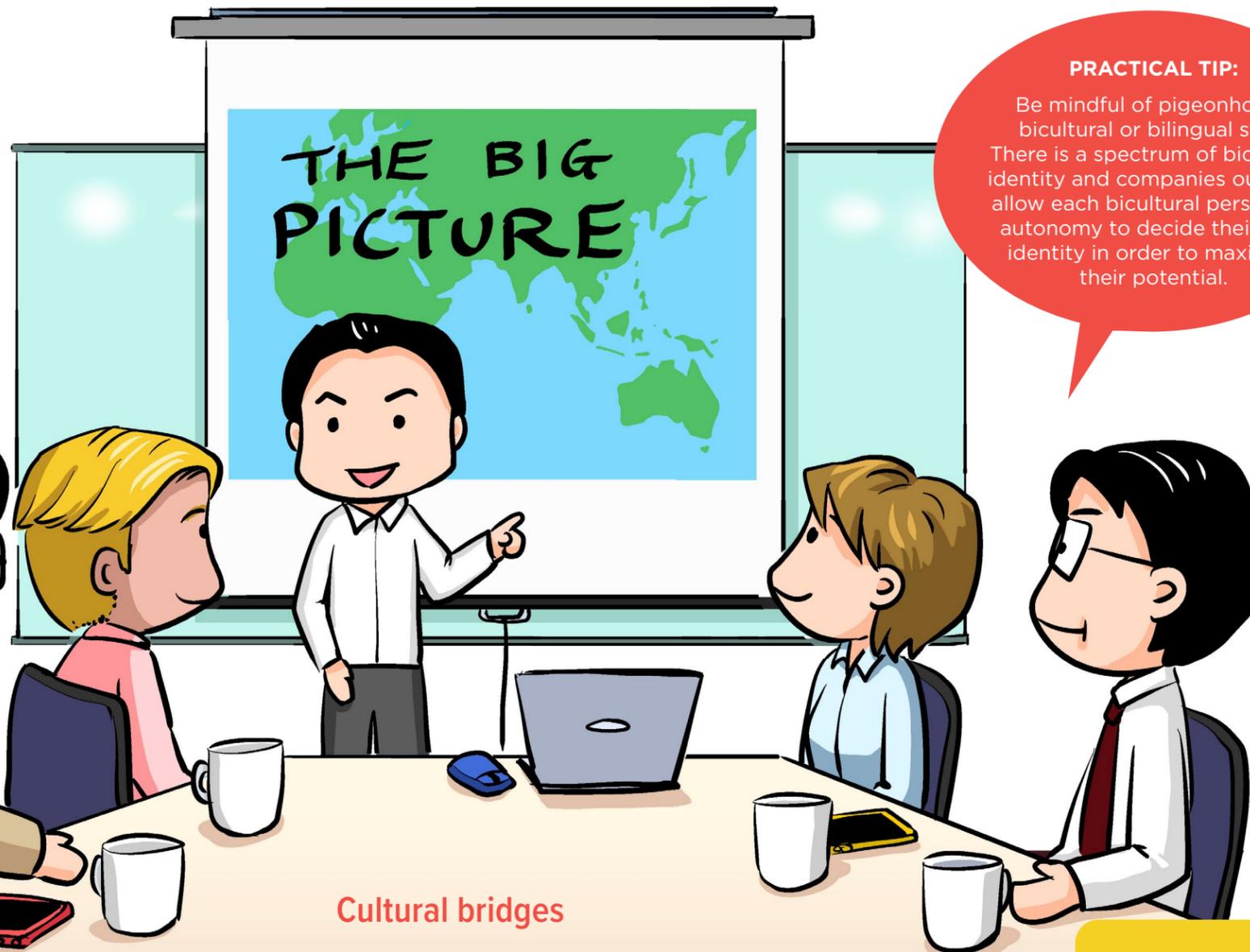
To create a further sense of unity, I also established clear communication channels between the organisations to encourage peer-to-peer engagement. This process was not straightforward, and I often had to prompt these discussions to ensure they occurred regularly and would be sustained into the future.

PRACTICAL TIP:

Encourage employees to be open minded and learn from each other. A merged organisation will not benefit from favouring one set of cultural norms over another.

LEARNING:

Australian and Japanese employees respond to change differently. When integrating 2 businesses, it is important to engage both groups at the beginning of the deal and at regular intervals thereafter through various communication channels.



PRACTICAL TIP:

Be mindful of pigeonholing bicultural or bilingual staff. There is a spectrum of bicultural identity and companies ought to allow each bicultural person the autonomy to decide their own identity in order to maximise their potential.

Cultural bridges

One client I worked with in Japan was very proficient in harnessing the talent of bilingual and bicultural people which they referred to as "cultural bridges". As part of the employee onboarding programme, the company set up extra sessions for those who had worked in both Japan and abroad to share their experiences, highlighting opportunities and challenges and then integrating those learnings into their global business operations.

The work that these cultural bridges performed was often very subtle, such as listening intently, having a quiet word in the corner or, more generally, making sure that everything ran smoothly between the parties. The firm valued and appreciated the extra effort it took to operate in 2 languages, including the simultaneous interpretation of spoken and unspoken cues. Consequently, these cultural bridges often acted as sounding boards in difficult situations, helping to streamline decision making across jurisdictions.

LEARNING:

Leveraging the cultural lessons of bilingual and bicultural staff in order to build cultural literacy throughout an organisation takes time and effort, but the rewards can prove to be tangible. Creating a workplace that brings together perspectives from both cultures through initiatives such as international transfers can create a competitive advantage.

The collaborative approach

I was a Japanese business consultant working for a Japanese company that makes consumer products. The Japanese and Australian teams had been asked to finalise the bottle design for a product to be distributed globally. Unbeknownst to both teams, the Japanese head office had already decided on a design based on their knowledge of consumer preferences.

Despite this predetermined outcome, the Japanese team flew to Australia for a 2 day workshop with the Australian team to brainstorm design options. When Japanese management advised the Australian team head that the bottle design had already been finalised, they were initially taken aback, and it was unclear why this workshop was needed.

Their concerns subsided when Japanese management explained the purpose of the exercise was to ensure everyone felt they had input in the design decision, and to encourage them to adopt a similar collaborative approach for future projects, including those where decisions would have to be made at the team level.

DECISION MAKING

LEARNING:

Business decisions are often made though consensus in Japan. Though time-consuming, these decisions are relatively quick to implement once reached. In Australia, while the decision may be “top-down”, efforts are often made to ensure everyone is able to have input or feedback into the decision.

PRACTICAL TIP:

Decision making styles can be fluid and fall on a spectrum. Both consensus agreement and top-down decisions occur in both cultures, so remain flexible and stay focused on the end goals.

THIS IS THE ONE!

Nemawashi: the power of pre-messaging

When working as an Australian partner at an international law firm, a client was worried about an upcoming board meeting of an overseas subsidiary to be attended by directors from the Tokyo headquarters and the overseas office.

One foreign director from the overseas office had a reputation for being difficult. The client asked me to attend the board meeting to ensure things remained professional and did not get out of control. I was there for around 4 hours waiting for fireworks to begin, but the meeting ended very peacefully. I felt I had not been able to contribute anything particularly meaningful, but the client later explained they had a *nemawashi*, a pre-meeting, the night before with all parties and resolved the issue in advance.

Everything that transpired during my attendance was a fait accompli and the meeting itself was just a formality. The whole exercise was testament to the conscientious approach the Japanese take to decision making and avoiding conflict. Japanese companies are often more likely than their Australian counterparts to keep their dirty laundry to themselves, so discussions covering sensitive issues or concerns more often than not occur in private to preserve the dignity of more formal meetings.

LEARNING:

While sensitive issues will often be discussed or resolved in private, Japanese companies will nonetheless often place value on the formalities out of respect for the integrity of the process and those involved.

PRACTICAL TIP:

Keep all parties informed. If you hold a smaller, private meeting to make decisions in advance, ensure relevant people are informed of the outcome so they understand the situation and are able to contribute effectively going forward.

PERSUADING

Understand your audience

As an Australian at a global company, I worked in a small office in Tokyo with both international and Japanese staff. It was decided that there would be a leadership change in the office, with an existing team leader transferred overseas. A senior executive visited the Tokyo office to communicate this news in person. During the meeting, the executive explained the change was to align with the company's new global business strategy. Some Australian staff asked questions during the session, but the Japanese staff remained silent.

I didn't think there was anything further to read between the lines following the announcement — the business strategy made sense. However, it became apparent the staff changes and whether there was "more to the story" was causing some anxiety among the Japanese staff. Some thought the decision was made because the team leader had done something wrong or that the business was doing poorly, which led them to worry about job security. It took a long time and many side discussions with our colleagues to reassure them this was not the case before they became comfortable at work again.

LEARNING:

Management styles differ greatly between Australia and Japan. What might be seen as transparent and accessible communication from management in Australia may have very different, even negative connotations in Japan, especially given the weight of someone very senior flying in for the occasion.



PRACTICAL TIP:

Allocating time for smaller, informal discussions will give staff a forum to raise their concerns and allow the team to move forward with the decision.

Consensus takes more than one yes

After recently joining an Australian company as its Australian CEO, a series of market changes necessitated change in our strategic direction. This was subject to approval by our Japanese parent company.

At first, I approached the matter as any Australian would. I scheduled a direct meeting with my Japanese counterpart to discuss the logical, fact-based rationale supporting the proposed strategy. While my forthrightness and well-considered reasons were appreciated, I was politely told that "due consideration was needed".

I was disappointed until I spoke to a Japanese colleague who informed me that by meeting directly with the CEO of our Japanese parent company, I had side-stepped a key part of the Japanese decision making process. Instead, I should have run the proposal through multiple layers of the organisation, reaching a consensus to proceed with the new strategy.

On our second attempt, we identified the key decision makers across the hierarchy then considered how they could be persuaded and who could persuade them. The Japanese company's hierarchy meant different materials needed to be presented to staff based on their level of seniority, with the level of detail and focus being adjusted each time.

While it was sometimes difficult to extract opinions from staff, our patient explanations and perseverance enabled each level of the organisation to get on board with our proposal. By the time I met with the Japanese CEO again, consensus had been reached and he wholeheartedly supported the new strategy.

PRACTICAL TIP:

Be wary of misinterpreting repeat questions, multiple levels of consultation or amendments as mistrust. Be subtle — instead of dictating a viewpoint, aim to provide the right level of information and guidance softly and in a respectful manner for people to move forward with a decision.

Steps can't be jumped in Japan and they must be sequentially followed, even if at times it appears to be a rubber stamp process, so ensure sufficient time is allocated to reach a final decision.

LEARNING:

While Australian organisational culture may favour a top-down decision making style, Japanese organisations tend to look for buy-in at every level from the ground up. Australian executives should exercise caution before racing ahead to speak directly with top management and instead carefully formulate a strategy for effective engagement starting at the working level.

DEALING WITH CHALLENGES

Not just fair-weather friends

One of the most humbling experiences in my career was the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry in 2017–19 which was a catalyst for change across the financial services sector. Our Japanese clients were understandably concerned, particularly given the media attention, and there was a very real risk that deep relationships cultivated during the “good times” were at stake.

From day one, our Royal Commission project team implemented a detailed stakeholder engagement plan. By providing information on the structure and governance of the Royal Commission, the company’s involvement, an explanation of events, media coverage and potential impacts to our business, as well as a running timeline of events, major developments, frequently asked questions and associated links, we kept our clients informed every step of the way.

This constant engagement and our decision to proactively discuss challenges was highly appreciated by our Japanese clients. This approach increased the level of trust between our organisations, which was evident by the fund raisings following the Commission’s final report.

PRACTICAL TIP:

No news is bad news in Japan. Keep in regular contact with your client or business partner and highlight issues well in advance. Show your respect for the other party’s processes by keeping them well-informed even in challenging times.

LEARNING:

Whether trust is built through long-term relationships or a task-based approach, it can be quickly eroded.

Agreement in principle

During my time at a Japanese-owned company, we were engaged in a dispute with 2 Australian companies that had progressed to formal mediation. We arrived at the mediation at 9am and were prepared to settle the dispute on terms pre-approved by Tokyo headquarters.

Around 5pm, our Australian opponents offered a solution which was workable in principle, but structurally different to what we were authorised to agree to.

We needed 1 more day to receive the support for the modified solution from numerous stakeholders in Tokyo. The mediator attempted to pause the proceedings to allow us extra time to consult with headquarters, but our Australian opponents were adamant that the offer would be withdrawn that day.

Despite these pressure tactics, a rushed decision was not possible and the mediation ended unsuccessfully at 8pm. Following this, the relationship between the parties soured significantly resulting in expensive and time-consuming litigation preparation for another year.

In a final effort to settle before trial, we decided to arrange another negotiation meeting just 10 days beforehand. This time, we planned 2 separate meetings 5 days apart and explained to our opponents that while we were authorised to negotiate with them (and in fact had significant influence on the final decision), the final details needed to be approved by multiple stakeholders in Tokyo. There was no single decision-maker we could bring to the negotiations who had absolute authority to agree to a settlement.

Once this was understood, the tension lifted and we reached a non-binding agreement at the first meeting. We then used the time leading up to the second meeting to confirm details and proceed through our internal approval process. The matter was resolved with a binding settlement agreement at the second meeting, 3 days before the trial was scheduled to commence.

PRACTICAL TIP:

Budget time for consensus decision making to occur outside the negotiation room.

LEARNING:

In Australia, disagreement and debate are viewed as positive dialogue for a team or organisation. Should the situation escalate, there will generally be a person in the room able to make a final call on the issue in question.

In Japan, open confrontation is inappropriate and breaks group harmony, risking negative impacts on the relationship. Should a significant issue arise, it is often discussed outside the meeting room with multiple stakeholders and a consensus decision reached following extended consultations.



BEYOND THE BOARDROOM

PRACTICAL TIP:

Keep casual conversations “semi-personal”. There is a clear distinction between personal and professional matters in Japan. Using topics of conversation like sport or hobbies is a happy medium between making someone feel uncomfortable and seeking common ground.

LEARNING:

There is no need to mimic Australian or Japanese cultural norms if they are unfamiliar. Instead, make a conscious effort to understand them through conversations with peers.



LEARNING:

Relationships in Japan are built over time and are maintained in part through regular informal meetings such as dinners and drinks.

If you need to call in a favour from a business contact in Japan, it will be crucial to have trust built upon on a strong personal relationship first. While relationships are also important in Australia, a favour could also be called upon if you can demonstrate from a “numbers perspective” that a mutually beneficial outcome may arise. In Japan, without the relationship, even if the favour could be mutually beneficial, it is unlikely to eventuate.

PRACTICAL TIP:

Avoid a “transactional mindset”. Don’t treat upfront investment or sunk costs as a waste of time and try not to be frustrated if you feel like you’re not getting down to business straight away.

Common ground advantages

I always try to find common interests when meeting Australians for the first time to help develop relationships.

Questions such as which sports team someone supports, what their favourite food is or what they do in their spare time all show your commitment to learning more about that person to create a strong foundation for the relationship. These conversations are often stepping stones to discussing business outside of the office in casual settings.

One time, when I was waiting for a taxi with an Australian client, I utilised my knowledge of local sports to show that I was interested in him and his country. I asked which football team he thought would win the NRL semi-final and he was pleasantly surprised to learn that I had been following the local tournament. Once we arrived at the office and it was time to negotiate a deal, our interactions were warmer given the common ground we had established earlier that day.

Relationships first, business second

During my 3 years working as a Japanese business consultant in Japan, I was approached by an Australian beauty business looking to export product samples overseas. Being a start-up, the client had trouble finding suppliers who could provide the small quantities they needed for their samples.

I thought a large-scale packaging supplier I had worked with previously in Japan would be able to help my new client, but it would involve me calling in a favour. I arranged dinner for the 3 of us at a local sushi restaurant. Both sides hit it off and the conversation ranged from cherry blossoms to hot springs. Seeing that a clear bond had formed, I raised the topic of business at the very end of dinner by asking my former Japanese client if she thought her company could help my new Australian client.

Although she would normally have a minimum order size that my client couldn’t have met, she agreed to relax this requirement. Her company worked with my new client for around 6 months to trial product lines before the start-up grew and a long-term supply contract was signed.

CAREER DEVELOPMENT

Standing out

When I started working in an Australian company, I was surprised by the need to build my own profile — a personal brand — and to market myself internally. This approach was in stark contrast to life in a Japanese company where there is less emphasis on what one brings to the table as an individual and more focus on being part of the team.

Initially, I thought about what value I could add to my company and considered what kind of soft skills I would need to develop to market myself effectively in Australian working culture.

One key focus for me was internal networking. I took advantage of opportunities to spend time with senior staff visiting from overseas and to work in other departments. Every time our Global Head asked, “Anyone up for a quick coffee?”,

I made sure I took up that offer. Interactions like these helped me establish connections with key people in the organisation and boosted my visibility within the company. I took this further by taking public speaking roles at external conferences and internal events even though I wasn’t totally confident.

These days, promoting my personal brand comes fairly naturally. I don’t have to think about it so much, but it was a challenge at the time that took some getting used to.

The bamboo ceiling

While working in Australia, I was asked to return to Japan as the only female lead on a large enterprise resource planning project. Shortly after commencing, I was frustrated by the lack of progress being made. The male team members were hesitant to make decisions when I was in the room and discussions that should have taken half an hour extended over several days. However, whenever these same colleagues would return from their cigarette breaks together, they would announce decisions reached in their short time downstairs on issues that they were previously reluctant to discuss.

Whenever I encouraged my male colleagues to reach conclusions in a formal setting with all team members present, they suggested that I “shouldn’t be so direct”. This became problematic and I decided to adjust my leadership tactics. I began inviting myself along for cigarette breaks, despite being a non-smoker. By making myself part of those casual conversations, I slowly saw improvement in team cohesion and morale, and the project began to progress.

Towards the end of the project, several team members explained that initially they weren’t sure how to work with me as it was unusual to encounter a female leader in Japan. While this hadn’t immediately occurred to me after spending several years in Australia, it was a stark reminder that while Australia’s glass ceiling is shattering, its bamboo counterpart needs more work.



LEARNING:
In Australian companies, internal relationships are important to both business delivery and career development and, as such, building your profile is encouraged. Similarly, broadening your network outside the company is often a key career development KPI. In contrast, employees in Japan may not be concerned about having a personal brand as distinct from that of the company they work for.

PRACTICAL TIP:
Seize opportunities to meet with others at your company to continually broaden your network but be aware that this is a particular cultural approach present in places like Australia.

PRACTICAL TIP:
Seize opportunities to call out female leaders’ successes through the available channels and encourage promotions in both Japan and Australia.

LEARNING:
Career trajectories look very different for Australian women compared to their Japanese counterparts. While gender bias exists in Australia, there are more systemic barriers to female workplace participation in Japan and managerial positions are overwhelmingly held by men. Challenging these stereotypes may be uncomfortable at first but will help ensure all staff feel empowered.

WORKING STYLES

New rules of engagement

The COVID-19 pandemic has completely changed how we do business with all our clients, including those in Japan. During formal Japanese business meetings, we wouldn't normally try to convince someone to move forward with a deal from the get-go. Typically, we would put facts on the table, then have dinner or drinks afterwards and work through the "real issues" in a casual setting.

The pandemic has taken away many informal business meetings. There has been no chance to discuss issues leisurely over lunch or dinner or to spend time together on the golf course. Instead, we've adapted our approach and now hold follow-up calls to explain why we raised certain issues in formal meetings and to provide more context on our position. This new approach has forced us to be franker than we normally would with Japanese clients, which made some people uncomfortable.

However, as our clients became more comfortable with working from home and conducting business via videoconference, the need to be more forthright during our time-limited meetings became well understood and actually helped raise productivity on a number of occasions.



LEARNING:

Japanese businesses are heavily reliant upon official seals (*hanko*), fax machines and face-to-face meetings. The deep value placed on physical presence has made the transition to remote working more challenging compared to Australia, where working from home has been possible for some time.

PRACTICAL TIP:

Striking a balance between flexible and structured working styles will appease both sides of the cultural divide during and beyond the COVID-19 pandemic.

Adapt your pace

During COVID-19, the Australian Government reached out to several international airlines seeking tenders for chartered cargo flights to export fresh food from Australia. The Japanese airline I was working for put itself forward, but we were only given 2 days to prepare dozens of investigative and research documents.

This turnaround time was completely at odds with our company's typical internal approval process and coordination speed. Realising that any future opportunities would also be bound by such short timeframes, we did the previously unthinkable and

rapidly started adjusting our internal processes to align with the Australian requirements.

Despite initial internal hesitation to change, our operations were expedited and we were able to respond to the request to sign the contract within a day which resulted in our airline securing the contract.

PRACTICAL TIP:

Be prepared ahead of time to capture short-lived opportunities. Just because something has always been done a certain way, doesn't mean it can't be improved.



LEARNING:

In Australia, negotiations proceed at an unthinkable speed compared to Japan. If you can't keep up with the process, you risk losing high-quality business opportunities. It is critical to plan how your organisation will keep up and deal with this speed.

Australians are also more tolerant of time and failure, and they're flexible when it comes to scheduling and business plan changes.

IMPRESSIONS

When on time means you're late

Placing a heavy emphasis on being punctual is one of the ways hierarchy is entrenched in business culture in Japan. For example, junior staff at the local branch of my Japanese company were expected to arrive at least 30 minutes before their scheduled start time and all other members at least 10 minutes before theirs. Arriving on time or a few minutes late was cause for concern, and if a staff member wasn't at their desk after 20 or 30 minutes, it was taken very seriously. One morning, when a junior staff member in my team didn't arrive, I was even asked by my manager to visit the staff member's dorm room and confirm whether they were okay. This might strike Australians as odd, but it says a lot about the sense of responsibility Japanese companies feel for their employees.

During my first week at the Sydney branch of the same company, I was surprised when some staff arrived on time, while others came much earlier or much later. I had to adjust to my colleagues' more flexible approach to their work hours, as well as having more autonomy over my schedule. It was a very different way of working for me and required increased levels of communication amongst team members. At first, I struggled to adapt to this business culture, but over time, I came to quite like these arrangements and now appreciate the pros and cons of both working styles.

PRACTICAL TIP:

Always arrive early. At best, it shows that you appreciate everybody's busy schedule, and at worst, you will have a few extra minutes to prepare for your day or the meeting to follow. If you are late, be sure to offer sincere apologies.

LEARNING:

Small gestures leave big impressions because personal and professional relationships often intersect in Japanese business culture. Gift giving shows closeness or fondness for one another. It serves to strengthen relationships and may leave lasting impressions on the other party.

Small gesture, big impact

I recently had a memorable exchange with a Japanese executive I have known for some time. When his first child was born in 1995, my wife and I gave his daughter a toy koala which, unbeknown to us, became her favourite toy. After keeping in contact with the executive over the years, we arranged to meet in Australia when he was visiting for a business trip in 2019. I was completely taken back when we met up and he presented me with the same toy koala from 1995. He asked us to take a photo with it so he could show his wife and his daughter who, 24 years later, had asked her dad to get a photo of the koala with the man who gave it to her.

LEARNING:

Japanese working culture is known for its emphasis on punctuality. Arriving on time shows respect for your peers and is critical to making a good impression. Although alarming in Japan, tardiness often does not phase Australians.

PRACTICAL TIP:

Internationally recognised symbols of each country are ideal gift choices to not only bridge the cultural divide, but to celebrate it.



THE AUSTRALIA JAPAN BUSINESS CO-OPERATION COMMITTEE (AJBCC) & THE JAPAN AUSTRALIA BUSINESS CO-OPERATION COMMITTEE (JABCC)

In March 1961, Mr Shigeo Nagano, Vice Chairman of the Tokyo Chamber of Commerce & Industry and President of Fuji Steel, led a trade mission to Australia.

In Canberra, when meeting with Australian industry associations, he proposed the establishment of a bilateral business co-operation committee with an aim to:

- contribute to the development of the Japan-Australia economic relationship; and
- promote mutual understanding and co-operation between the 2 countries' business communities.

The AJBCC was established in Australia on 28 August 1962 and its counterpart, the JABCC was inaugurated on 6 February 1963.

Since their establishment, the 2 committees have met annually, alternatively in Australia and Japan. It is possibly one of the longest established joint bilateral business committees, a fact owed to its leadership both in Australia and Japan. Above all, it underscores the importance of the business relationship between Australia and Japan.

In Australia, the AJBCC runs a series of networking briefings on major topics related to Australia-Japan business as well as partnering with other organisations and government in the promotion of Australia-Japan relations.

The Future Leaders Program

Established in 2014, the Future Leaders Program supports the development of the next generation of Australia-Japan business leaders.

Future Leaders are individuals under the age of 40 who are considered prospective leaders both within their own companies and of the wider Australia-Japan relationship.

Each year, Future Leaders participate in a broad range of industry conferences, professional networking events, and deep-dive working groups across media, diversity and cultural programs leading up to the annual AJBCC-JABCC Joint Business Conference.

In 2021, the program has over 40 participants from Australia and Japan who are active in a broad range of sectors contributing to the bilateral relationship.

Craig Usmar

Chair
AJBCC Future Leaders Program

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JABCC Future Leaders Program

Luke Russell

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