

5-1 Tom Young, an up-and-coming executive for a U.S. electronics company, was sent to Japan to work out the details of a joint venture with a Japanese electronics firm. During the first several weeks, Tom felt that the negotiations were proceeding better than he had expected. He found that he had very cordial working relationships with the team of Japanese executives, and they had in fact agreed on the major policies and strategies

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governing the new joint venture. During the third week of negotiations, Tom was present at a meeting held to review their progress. The meeting was chaired by the president of the Japanese firm, Mr. Hayakawa, a man in his mid-forties, who had recently taken over the presidency from his eighty-two-year-old grandfather. The new president, who had been involved in most of the negotiations during the preceding weeks, seemed to Tom to be one of the strongest advocates of the plan that had been developed to date. Also attending the meeting was Hayakawa's grandfather, the recently retired president. After the plans had been discussed in some detail, the octogenarian past president proceeded to give a long soliloquy about how some of the features of this plan violated the traditional practices on which the company had been founded. Much to Tom's amazement, Hayakawa did nothing to explain or defend the policies and strategies that they had taken weeks to develop. Feeling extremely frustrated, Tom then gave a fairly strongly argued defense of the plan. To Tom's further amazement, no one else in the meeting spoke up in defense of the plan. The tension in the air was quite heavy, and the meeting adjourned shortly thereafter. Within days the Japanese firm completely terminated the negotiations on the joint venture.

How could you help Tom better understand this bewildering situation?

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