

Business Communication Strategies for Japanese Companies in the Globalization Era

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Introduction

In 21st century, Japan faces major challenges in the quest of becoming a strong global competitor. Although almost all automobile and some machine tool industries are doing well compared to their counterparts in the West, many industries and companies in other fields are behind those in neighboring nations such as South Korea, a country highly developed in Information and Communication Technology (ICT), China, a newly industrialized giant, and India, a nation growing at an exponential rate.

Singaporean Prime Minister Lee Hsien Loong said that his country should learn from South Korea's Samsung Electronics Co. instead of Sony Corp. in re-engineering its economy to overcome severe economic competition. Lee mentioned Samsung, Sony, and Royal Philips Electronics of the Netherlands in his "National Day Rally" speech on August 9, 2005. Comparing the three, he said Singapore should emulate Samsung and Philips, which he said have aggressively embraced innovation and research and development to stay ahead of their business rivals. While enthusiastically praising the Korean and Dutch companies, he said Sony has stuck to a "high-volume, low-margin" strategy and has suffered losses in recent years. As one commentator observed :

Lee's choice of Samsung and Philips as models for the new Singapore economy underscores that the days when Japan's economy and companies were the darlings of business in Asia seem to be fading as it struggles to emerge from more than a decade of economic stagnation.¹

This paper argues that Japan may not be adapting as quickly as it could to the challenges of globalization, and thus may be missing opportunities to become a stronger competitor, because of problems in three areas of communication practice : ICT and communication, language and communication, and inter-cultural communication. The paper considers these problems from the perspective

of Japanese companies seeking to globalize more effectively, and proposes some initiatives that such companies might undertake to accelerate this process. Before considering the three problem areas in isolation, we look first at some significant facts about world trade and globalization in relation to business communication, at some of the relevant complexities and subtleties of communication itself, and at a particular dimension of Japanese culture where business and communication styles are closely related.

The growth of world trade and business communication

1. World trade and business communication

Total world trade in 2002 amounted to 6,419.1 billion dollars (US) ; in 2003 it increased to 7,430.8 billion dollars. These figures from the IMF's IFS Yearbook, refer to total exports (Free on Board—FOB) only and do not include sea freight or air freight and cargo insurance fees. If we add all these figures, the world trade amount increases substantially. Although the freight fee varies based on the size and weight of the cargo, we can assume it as 5% to 25% of the amount of the FOB. Also, if we assume the insurance as 0.5% to 1% of the FOB amount, then we can get a sense of global trade in real terms.

The transportation services related to these fees are provided by cargo distributors, shipping agents, and insurance companies. We must remember that all these activities are facilitated by extensive communications between people. According to a survey by APEC, for one trade transaction, the related outside companies working together with the relevant authorities could at the most reach 27 agencies employing 40 kinds of documents and 200 recorded items.³

The total value of world trade in 1964 was 157.5 billion dollars and is now 50 times that amount. With the enormous growth in the world economy, the networks among people and the interfaces (contact points) between individuals have multiplied and become more complex accordingly.

The past 40 years have seen a 50 fold increase in world trade. By adding the previous 20 years (going back to the end of the Second World War as a starting point) and then adding the effect on trade of a future estimated 20 years of population decrease in the developed countries, the trend can be expressed in a graph where the progression forms the letter "S". In fact, a similar S-curve phenomenon can be found in another situation, the growth of the world's English-speaking population. A Swiss scientist has estimated the number of English speaking people in 1770 as only 7 million. But now native English speaker number about 340 million.⁴ When combined with the native-level English speakers of 670 million and other non-standard English speakers, world English speakers have reached about 1.8 billion.⁵

World trade has grown to such an extent and in such a way that no nation can develop its economy in isolation. The development of an economy depends on trade with other countries. Moreover, direct investment by companies in foreign countries has increased, ultimately enhancing their production efficiency. This implies that in all areas of the world companies have received various subsidies from foreign governments and have contributed to the economic development of those countries. It means that we are living in the era of global networks among countries, companies, and people. It was nearly impossible to imagine this phenomenon 100 years ago. However, today we are living in the age when each company must think about not only one company's own profit or one nation's benefit, but also about maintaining a relationship of mutual co-existence and co-prosperity.

Firms must not only pay for infrastructure (which is usually considered a major benefit of Foreign Direct Investment—FDI—to host countries) and provide additional business returns to their host, but, they should also consider how they manage their more delicate socio-cultural interactions with hosts. For better or worse (if some observers promote the benefits of FDI, others highlight the possibilities of collusion between investing firms and host governments for the purposes of plunder), they are in fact integrated in intricate ways in the social, cultural and economic fabric of the host country. Therefore, firms wanting to be aware, flexible, and in charge of their options while investing abroad, should seek to manage these complex and subtle functions of globalization as much as they can. The points where foreign and host meet, interact and find opportunities for integration are sites at which communication takes place ; such communication events can be more or less extensive and complex, productive or destructive, successful or unsuccessful, depending on the degree to which at least one party is equipped to meet the communicative demands of the situation.

Companies, regardless of their nationalities or sizes, think about how to combine their limited production factors (people, product, money, information, know-how, company culture, etc.) and utilize them to maximize the effect. This is to say they attempt to achieve the maximum utility using the limited resources, or to achieve the maximum effects by using the minimum costs, and then execute these strategies accordingly.

In the modern global economy, such cost/benefit analysis is complicated by the fact that the data to be analyzed now extends far beyond international borders. The advancements of information technology have shortened the distance between production and output. As Shinohara has noted, modern ICT has made it possible for services :

. . . to be freed from geographical limitations and to become trading assets. For example, aside from the legal and regulation issues . . . it is technically possible for Japanese living abroad to see doctors in Tokyo using a monitor and the Internet. When the service has been turned into a

trading asset, the factor price will follow equalization theory. This situation will threaten the local doctors who have charged much higher fees only because they can speak Japanese.⁶

In the modern global society, contact with foreign governments and foreign companies has been significantly expedited. In these circumstances, governments and companies alike have to think seriously about enhancing the quality of these types of communications. As Coulmas has pointed out :

For a modern economy—a market economy which is the opposite of a self-sufficiency economy—language is as important as money. Language is crucial because most economic behavior lies in communication, and the core of economic communication is language.⁷

Indeed, communication is integral to economic behavior. To make a global business successful, it is important for both nation and company to communicate well with foreign business partners and to build (and maintain) good relationships amongst superiors, co-workers, and subordinates across nations and cultures.

2. The nature of communication

As a result of extensive research in cross-cultural communication, Furuta et al. have provided and analyzed 126 separate definitions of communication.⁸ According to these authors, these definitions can be classified into the following four theoretical models :

- Interaction process theory ;
- Stimulation-reaction theory ;
- Meaning-making theory ; and
- Rhetoric theory.

(1) Interaction process theory

According to the authors, this category is the largest and accounts for 35% of the 126 definitions they considered. Definitions in this category posit communication between individuals as the basis of human society. A representative definition in this category describes communication as “. . . the process of trying to understand others and to be understood . . . an actively changing process that complies with the movement of the overall situation”.

(2) Stimulation-reaction theory

This category accounts for about 20% of the definitions considered by the authors. These definitions

posit communication in terms of learning theory by analyzing the factors that evoke persuasion through stimulus and response. Representative definitions in this category include the following: “Communication is the discriminative reaction to stimulation by organisms”; and “Human communication is the process of triggering reactions through language symbols”.

(3) Meaning-making theory

This category of definitions considered by the authors posits communication in terms of the symbols that convey meaning. This category includes definitions that encompass: (i) sign theory (the relationship between symbols and indicated objects); (ii) general semantic theory (including the confusion and conflict caused by the misuse of language); and (iii) cultural anthropology theory (including the assertion that the meanings of time and space differ among various cultures).

(4) Rhetoric theory

According to the authors, the definitions of communication in this category can be traced back to the classical rhetorical theories of Aristotle, Cicero, and Quintilian. According to these definitions, communication is understood in terms of the factors that form the ‘rhetoric’ of speaker, listener, situation, and purpose. It also includes factors that influence this ‘rhetoric’—including framework, structure, modification, memory, and action.

The term ‘communication’ thus has various definitions; however, they all share common roots from the Latin words *communicare* (meaning ‘to share’ or ‘to impart’) and *communis* (‘shared in common’). That is to say, communication refers to something that is shared in common. According to Goto:

Multiple individuals are connected by common attributes. The situation of special, connected, and complex relationships is needed for the definition of communication. However, it should be noted in passing that Goto has also expressed the opinion that the Japanese term, *dentatsu* (which is often cited as being the Japanese equivalent of the English word ‘communication’), actually has a different meaning. According to him, a better literal translation of *dentatsu* would render this Japanese word as ‘transmission’.

Be that as it may, the central concept of ‘commonality’ in the definition of communication was also captured by Ikegami, who defined communication as:

. . . the activity of creating something common . . . the behavior of creating a copy of the contents of your broad sense of thinking in other people’s minds.

Reasons for the Japanese companies' slowness in globalization

This chapter will examine explanations why Japanese companies, other than those in the auto and machine tool industries, and even Japan itself as a nation state, seem somewhat backward compared to those of neighboring nations. The assertion being that the problem may be associated with following factors :

- Lack of the government's consciousness of the globalization and its poor policy in terms of communication ; and
- Unique Japanese language and communication styles.

There have been remarkable changes in the international involvement of Japanese companies in the past forty years or so. For many Japanese companies, overseas turnover represents more than 50% of their total sales. The overseas sales ratio of Japanese major companies (as of March 2004) was as follows : Honda 80%, Sony 70%, Toyota 67%, and Matsushita 54%.¹¹ These figures clearly show that the major Japanese companies like it or not have had to shift their production sites to overseas causing what is commonly referred to as the 'hollowing-out syndrome' in Japan. This has also caused a downturn trend in shipping and logistics businesses engaged in the transfer of goods from and to Japan. The change of fuels for power plant from fossil to nuclear, too, has accelerated this downswing trend of shipping business to Japan. In order to survive this sever situation, not only the manufacturers but also the trading houses and shipping companies have had to expand their triangle businesses connecting overseas suppliers and customers.

Another factor of structural change in the Japan's industry is a so called 'intra-company trade'. The Japanese companies sell to and buy from their overseas subsidiaries. Nowadays, nearly 70% of Japan's total exports and 50% of its imports, in terms of real value, go to and come from the subsidiaries of Japanese companies.¹² Some Japanese companies have even begun to shift their headquarters to foreign countries, and others already have non-Japanese CEOs. The world is seeing the advent of products, executives, turnover, and headquarters that have no specific nationality. However, because of the following reasons, many of the Japanese companies still struggle with their globalization.

1. Lack of the government's consciousness of communication power

Several years ago, the first ASEAN summit that included Japan, China, and South Korea was held in Manila. According to a news article, "Changing South Korea and Neglecting Japan—the Reversal

of Transmission Power of Information,” the English language briefings to the media by the Korean president’s office was excellent. The speed and contents of the briefing in English, released every time after meetings were held between South Korea and Japan, to foreign media surpassed those of other countries. Many of the correspondents from western and Southeast Asian countries that did not have access to their own countries’ briefings wrote their articles based only on the Korean information.¹³

The correspondent, who worked at the Hong Kong branch of a Japanese news agency and wrote the above article, stated :

The improvement of the Korean service to foreign media was under the supervision of President Dae-Jung Kim. It was based on his judgment that the power of communication is the power of the nation.

Citing the speech of the public relations officer from the Korean president’s office, he further stated :

I keenly felt Korea’s efforts and Japan’s inattention. If Japan wants to fulfill the roll of a big economic power in the global society and wants to be the real leader in Asia, the Japanese government and officials must keep in mind what the Korean president’s office said : “The power of communication is the power of the nation.” They should strengthen information sending and receiving power.

The present author quite agrees to what this correspondent claims. Here are some examples to support his constructive criticism of the Japanese government for its poor communication policy in the era of globalization. Many Asians and western businesses are somehow hesitant to invest into Japan because, besides its exorbitant corporate tax, they have no access to the authorized English translation of Japanese laws. Also, those who wish to start their businesses in Japan have to make out all the complicated documents required by the government only in Japanese ; no other languages including English, *a defacto* global language, are allowed for submission. This holds true even in the case of a report of securities and statement of account that are to be submitted to public offices.

2. Unique Japanese language and communication styles

One of the reasons why many companies in Japan have not been able to adapt themselves to the dynamic environmental changes lies in the special circumstances of Japan’s geographical, historical, and

cultural situations.

Japanese have been living in a small mountainous island with less than twenty percent of land that can be utilized for agriculture, dairy or habitation. The Japanese people have shared the same culture and language in this limited space. Unique Japanese history has also assisted to shape Japanese culture and foster a distinctive Japanese communication style, too. Japan has never been invaded by foreign powers (she even repelled the Mongolian attacks two times and had the world's strongest legion at that time give up their ambition to acquire the Island of Gold under their control), and later she went through the long period (270 years) of isolation by the Tokugawa government.

These facts gave the Japanese a strong sense of self-identity. The vast majority of the population never spoke to a non-Japanese person. Although the nation had begun as a collection of different peoples, it soon became homogenized into a single 'tribe'. Japanese were living in a 'tribal society' that was effectively cut off from outside contact. All of this exerted a decisive influence on their communication style. It is understandable that a homogeneous people crowded onto four main islands, all relatively small, should wish to avoid internal confrontation.¹⁴

From this kind of cultural background the language habit of "hearing one and understanding ten" has been formed, and the special corporate culture of de-emphasizing language usage in and out of companies has also been formed. For the Japanese people it is good manners to understand an unsaid part of a conversation without asking for further clarification. If you hear "one" part of a message you are supposed to understand all the other unsaid "nine" so that with "one" part you must understand the whole "ten" parts. If you are not able to do this, you are regarded as a person slow to understand. In other words, we have to try to infer, guess, or figure out what the other person thinks in his or her mind.

Today's global business and communication

It is quite usual these days that when you make a phone call to a customer service center and ask about the shipping progress of the product you have ordered online, the customer service staff are foreigners who live in another nation (and are foreigners who can speak fluent Japanese to deal with businesses). In addition, companies that contract for computer software development often are located far away in foreign countries, and it is common that the parties have never met each other and sign contracts, conduct the business, and then make payments using emails and websites. Similarly, it is very common that the development, proofreading, and editing of books to be published are conducted beyond borders among participants without meeting each other at all. In these ways, information and globalization are combined together, making the conduct of global business borderless.

Global transactions like these are conducted daily despite the size of the businesses. There are many overseas individuals and companies that receive outsourcing design jobs from big manufacturers. The draft designs are created by CAD (Computer Aided Design) and sent to an overseas outsourcing manufacturing company, where the manufacturing outsourcing company will use CAM (Computer Aided Manufacturing) to produce the product and export it to a finished-goods manufacturing company in another country. Then the product will be assembled at the final assembly line and shipped to the final selling market. Each part in this huge system is called a module, and only the development of ICT has made it possible to create such global modules in multiple countries around the world.

However, in these kinds of highly divided labor and market business models, it is certainly necessary for companies to communicate elaborately with foreigners and foreign companies who use different languages and have different cultures. For many Japanese companies, they previously have not needed such ways of communication. The relationship between component manufacturers and finished-goods manufacturers has been vertically integrated and, as explained earlier, is stable and long-term. Under the circumstances it was possible for the parties to understand each other with “silent agreement”.

It is not likely that this kind of communication can work anymore. Businesses as well as products of today are modularized. People are going to live in a world where manufacturers will be specializing in assembling the products that they are strong at and outsourcing the production of component parts they need for their assembly lines. Moreover, these activities will be conducted across borders. In many industrial fields, building globally structured networks is getting to be fundamentally necessary. Networks among people are becoming the core of the global economy.

When it is necessary for a business to create a global network with the development of ICT, we have to face the issue of how to use language for information exchange. Before this issue is being discussed, the following section will go over the current progress of ICT.

1. ICT and communication

ICT has hugely changed people's communication style both locally and globally. The representative technology is the Internet, where, according to often-quoted data, 80% of the information recorded in the world's computers is based on English. Also, so far the most commonly used language is English. This situation can also be naturally explained by the fact that 90% of world's connected computers are located in English-speaking countries, and that the host computers for many websites which can be accessed by anyone are placed in English-speaking countries. According to “Languages of Homepages on the Web,” the language primarily used in 1997 was English. Estimates of the number of

servers using English were 332,778, which accounted for 84.3%. The second most-used language was German (17,971 servers accounted for 4.5%). In the third place was Japanese (12,348 servers accounted for 3.1%). The second and third place languages were far behind English, according to 1997 data from the Internet Society.¹⁵

However, as to whether or not English has been keeping its dominant position as the key Internet language since then, the answer is no. In 1997 it was estimated that “as computer usage spreads, it is predicted that English content on the Internet may fall to 40% of the total material.”¹⁶ Interestingly, this estimation proved to be right. According to Internet data compiled by the World Stats Company, the variety of languages has increased and the usage of English has been reduced. By 2004 the most used language was still English, used by 288.9 million people, but accounting for only 36.3%. Chinese language users were 105.48 million people (13.3%) in the second place, with Japanese language users at 65.93 million people (8.3%) in the third place, followed by Spanish and German users.¹⁷

The fact that English is still the key language on the Internet cannot be denied, but this issue is different from that concerning which language should be used for global network strategy to conduct business in modern modularized businesses. More importantly, a business needs to decide which language it should use to connect widely scattered and modularized locations. For this it needs to conduct cost-effectiveness analysis. As Coulmas notes :

Economy cannot be thought of without communication, and the communication is costly because the world consists of many different languages. Because many languages are being used in the world and each market has its own peculiar language environment, there should be a communicative capability most ideal to economic actions in such a peculiar environment.¹⁸

In addition, he points out that inside a company or between companies, when there is a language which is more convenient than another language, it is a compelling issue for managers to decide which language should be employed.¹⁹

The following example illustrates Coulmas’s point. Consider a Japanese company dealing with a subsidiary, an affiliated company, a business partner, or selling a product in a foreign market. Assume that the companies having connections with this company are located in Vietnam, Thailand, China, Korea, and the US. The related languages which come into play here are Japanese, Vietnamese, Thai, Chinese, Korean, and English. Consequently, the communication process followed must be in accordance with one or more of the following four models :

- Using translators who can understand both of the languages used ;
- Having the business counterpart understand your native language ;
- Understanding the language used by your counterpart ; and
- Using a third language or a lingua franca which both sides can understand.

Each of these four models has its advantages and disadvantages from a cost/benefit perspective. If the information exchange is conducted through the Internet, the time-consuming option of using translators is not applicable, and communication is conducted directly with the other party using one of the other three options.

If the message sender is not proficient in the recipient's native language, but has no choice but to send the message in that language, the sender incurs costs (in terms of time and trouble) in carrying out this task effectively. Alternatively, if the sender spends little time and energy in ensuring that the communication is reasonably well expressed in the recipient's native language, the effectiveness of the communication will be compromised. Moreover, if the sender's communication is deficient, the recipient of the message must spend time and effort in understanding the intention of the communication. In this case, the sender effectively forces the recipient to incur costs (in terms of time and effort), thus diminishing the economic effect of the communication. However, if there is a common language (a 'lingua franca') that both the sender and recipient can easily understand, the costs incurred by both sides are reduced, thus providing economic benefits to sender and recipient alike.

The origin of the term 'lingua franca' can be traced back to the common use of a mixture of French, Greek, Arabic, Turkish, and Spanish languages to facilitate trade in the eastern Mediterranean during the 14th and 15th centuries. The emergence of this common language to overcome language difficulties in trade is analogous with the modern Internet communication problems described above.

2. Language and communication

Communication can have a variety of meanings as already discussed, depending on which of the various viewpoints noted is adopted. Communication is clearly a complicated process.²⁰ However, whichever perspective is adopted, it is apparent that communication is not simply the transmission of language (as the Japanese term *dentatsu* implies). Rather, businesspeople who wish to communicate effectively with foreigners must appreciate that learning (and speaking) a foreign language is not always sufficient enough for effective communication.

Because English has become increasingly prominent as the global language, it is commonly believed that the ability to speak English is sufficient for effective communication with people around the world. In Japan, English-language schools and English-testing institutions are reinforcing this er-

roneous belief through repetitious advertising of the importance of English-language skills. However, as noted above, language and communication are different things. It is an illusion to believe that, after achieving some proficiency in it, speaking English is sufficient for effective business communication with English-speaking foreigners, natives and non-natives as well.

Japanese managers are required to communicate sympathetically regardless of the complexity of the communication to various levels of local people to manage their overseas subsidiaries. However, more often than not, it is far from ideal. There are various reasons that explain why communication breaks down. Sometimes it is lack of knowledge of local societies and local cultures. It mainly comes from the lack of the managers' effort to educate themselves. Also the unique Japanese communication style has an effect on some situations as already explained in this paper.

Communication style differences affect activities from political meetings to the treatment of local housekeepers hired by the resident managers. For example, in the past a Japanese foreign minister had a habit of simply reading aloud documents prepared by his staff to the U.S. Secretary of State during important meetings. The Secretary was later said to complain, "It is not necessary to meet with the Japanese minister any more. Just get the document." When they have had meetings with Japanese politicians and business people, both British and Chinese leaders are known to become impatient and to complain : "Meeting with the Japanese is just formal and not interesting at all. It is difficult to understand what they want to say, and introductory remarks are too long."

It has been reported that some Japanese companies have conducted sales promotions and advertisements which upset the feelings of host-nation people due to the lack of knowledge of local culture. The following example must be still fresh in the Japanese people's memories. In 2003, a Toyota advertisement inserted in a Chinese magazine was severely criticized. The picture of a lion, which is more or less China's symbol, was shown saluting a Toyota car. This ad caused tremendous animosity.²¹ Protesters furiously demonstrated claiming that it "insulted Chinese." Being ignorant of Chinese cultural symbols, Toyota inadvertently created an extremely offensive advertisement, and ultimately had to withdraw the ad.

Toyota sells its products globally and yet in China did not know sensitive local customs. The bigger issue is that it was not a language problem. No matter whether it was in a magazine or TV broadcast, the language used was perfectly accurate Chinese. Here, grammatical precision was irrelevant ; the advertisements infuriated Chinese and the Chinese government. The advertisement had cost enormous sums of money only to negative effects. This incident, a public relations nightmare, is a perfect example to illustrate the importance of cross-cultural communication beyond language issues.

Reform plans to vitalize Japanese companies

This researcher suggests that the managers of Japanese companies should be aware that having knowledge of the English language itself and using it for communication are two different things entirely and also it is a matter of great urgency to train real global managers. By being “a truly global manager” the present author means that this manager could overcome the linguistic and cultural gaps to become a cultural integrator and business communicator as well. Based on this belief he proposes the following three general strategies :

- Innovating English-oriented communication training ;
- Practicing a codifying system within and between companies ; and
- Employing third country nationals and recruiting returnees.

1. Innovating English-oriented communication training

Productive results cannot be expected from the present systems of language teaching and learning at Japanese companies. In Japan many leading companies strongly encourage their employees to take the TOEIC, the Test of English for International Communication. Moreover, at some companies a promotion is guaranteed if their employees get a certain high score. Some companies even provide their employees with tuition free in-house English classes or subsidy to those going to English conversation schools. As a result, the number of those who take this test is increasing year by year. However, the test has some major drawbacks. It does not have sections for writing and speaking. Communicative ability is not tested. Due to its shortcomings, there are many people who have high TOEIC scores, yet cannot speak nor write English well.

The company executives must realize that it is more important for their employees or managers to learn how to express their ideas in English when they meet and negotiate with their foreign counterparts. They should also learn the difference in communication styles between Japanese and English as a de facto global language for business if they wish to be successful in their global business communications.

To improve the situation, a need exists for intensified in-house training in not only English but also cultural intelligence. The training program must be well designed in collaboration with qualified training specialists well versed in the subject of global business communication across nations and cultures. Even though Japan has become an economic giant, education, in this respect, is severely lacking. Japan as a modern state, and its government as the administrative body, should be aware of

this crucial need and endeavor to recruit such qualified training specialists of global business communication. Also Japanese companies should promote the use of such specialists for their in-house training courses. The combination of the training of English and culture will in turn contribute to Japanese companies' sound and vital management in the new global economy.

2. Practicing a codifying system within and between companies

Japanese companies should change the communication styles from the implication style represented by "hearing one and understanding ten" practice to the western's specification style referred to "say what you mean, and mean what you say" practice, if they truly wish to globalize themselves. It must be practical and effective as well to design a rule book or a dictionary to specify the meanings of the words used or to be used. It binds both parties such as sellers and buyers, bosses and subordinates, headquarters and subsidiaries to follow the definitions of words and phrases to be used in their business dealings. By establishing such a code or convention to be observed, they can assure themselves and their foreign counterparts a much more robust common and shared understanding of the business terms. It may be in a form of contract, which usually starts with definition articles providing with definitions of the terms used in the contract. Or, it may be in a form of dictionary such as the POW's dictionary designed by the U.S. State Department back in the early part of 1970 s. It was distributed free to the POWs (prisoners of war) coming back from North Vietnam, who were suffering from the flood of new and unfamiliar American English words and phrases then.

One of the successes of the NRP (Nissan Revival Plan) of Nissan Motor Co., Ltd. was said to be due to the *Nissan Basic Vocabulary Book*. The book was designed, compiled, and introduced in the company by Carlos Ghosn, their newly appointed CEO. His aim was that French workers and Japanese workers jointly working for the newly merged company must share the same understanding of the English words they were to use for their internal communication. Mitsubishi Corporation, the largest trading house in Japan, has also the *MC Dictionary* and distributes its copies among their foreign workers at their overseas offices. The *MC dictionary* consists of many words and terms the Mitsubishi people often use exclusively inside the company, which are unknown to outsiders. The Mitsubishi's aim is the same as that of Carlos Ghosn.

3. Employing third country nationals and recruiting returnees

Schneider and Barsoux introduce in their book the following remark by Evans et al. :²²

The concept of global mindsets helps to differentiate between expatriate and global managers. Expatriates are defined by location, as managers who are working in a different country from

their own. In contrast, global managers are defined by their *state of mind*. They are people who can work effectively across organizational, functional, and cross-cultural boundaries.²³

According to Schneider and Barsoux, the global mindset refers to the ability to look for and learn from relevant differences while at the same time looking for commonality.²⁴ They stated :

Dealing with people from many different cultures makes learning all their diverse customs, attitudes, tastes, and approaches to business a difficult, if not impossible, task.²⁵

The difference between an expatriate manager and a global manager is that contact with other cultures is *sequential* in the former, but *simultaneous* in the case of a global manager. A global manager is such a person who can get along well with people who are very different from each other having quite different cultural backgrounds.

Who in the world could manage this kind of extremely difficult task? This researcher believes that by examining the overall persona of a successful global manager and his or her past experiences may provide some insight to this question. Carlos Ghosn is a Lebanese born in Brazil, whose mother is French, and learned in Lebanon and France. He had quite a diverse cultural background before starting his business career in France which ultimately led to becoming a very successful CEO of a Japanese multinational company. From this fact, the present author proposes the following two plans :

- Employing third country national employees, and
- Recruiting able returnees as cadets for future global managers

(1) Employing third country nationals

It is not unusual anymore that a Japanese company promotes a local employee to the subsidiary's top management or even hires a manager locally. In Singapore, for example, some Japanese companies have already offered managerial positions to local employees. Those, who assume these positions, are usually Singaporean Chinese, sometimes Indians, and some other times Malay. They are not only fluent in English, but also well versed with their own languages and cultures and tend to be empathic to other ethnic groups' cultures, too.

The present author believes that Japanese global companies should consider Singaporeans when appointing a local manager in the Asian region. They could appoint a Singaporean Chinese manager as the top person or one of the top executives for their newly established subsidiary in Shanghai, for instance. Similarly, a great number of Singaporean Indians, who have acquired skills in computing,

accounting and engineering, could help to modernize the ICT environment of their Manila office in addition to his daily management tasks, if sent to the Philippines as a manager. This type of global human resource management strategy is absolutely necessary for Japanese companies if they wish to become “truly” global companies.

As far as the global HRM is concerned, Japanese companies were once far behind the western standard of appointing locals as, and promoting locals to, a part of the top management of their foreign subsidiary companies. Such a position was always filled by Japanese sent by the headquarters in Japan. The HQs were then urged to promote the so called ‘localization of management’ and started appointing locals instead of Japanese only in the past few years. However, the present author believes that this type of ‘binary’ classification (Japanese vs. local) and the very concept itself are already outdated. The modern Japanese companies should go a step further so that the classification consists of ‘trinary’ components such as Japanese, local, and a third country national for the best selection of a qualified global manager.

There are some Japanese companies which have already adopted this new system. Toray, a textile, chemical conglomerate and a competitor of DuPont, has appointed an Italian sales manager at their subsidiary in Rome as the top executive person at their American sales organization. Kao, the Japanese competitor of Procter & Gamble and Unilever, has once surprised the industry by announcing the appointment of a German manager, who had been working for their European subsidiary, as the top man of their Asian Regional Headquarters in Bangkok.

(2) Recruiting able returnees as cadets for future global managers

According to available statistics, the number of Japanese residents abroad is ever increasing and has exceeded one million for the first time in the history. The number reached 1,012,547 (up 5.3% from 2004) as of October in 2005. The Japanese nationals in this figure are classified as permanent residents of 310,578 (30.67%) and long-term residents overseas (non-permanent residents staying abroad for three months or longer) of 701,969 (69.33%). The top ten countries in terms of numbers are US, China, England, Thai, Australia, Germany, Singapore, France, Korea, and Canada. The above fact tells us that there are considerable numbers of nominal as well as potential returnees in Japan, who have spent their lives in totally different cultural environments. Many of them have been born and raised in different cultures, have lived with parents and local friends of different cultures, and have gone to school in different places before coming to Japan.

As Schneider and Barsoux observed :

. . . they [many international managers] often find it difficult to respond to the question, ‘What

am I?'. Indeed, most of us have several identities that are rooted in different cultures. . . And these different identities can provide a sense of power and effectiveness. Some identities may give more 'voice' than others.²⁷

It could be assumed that the experiences of the returnees are an asset for Japan and also Japanese companies' globalization strategy only if they are properly appraised and utilized. All of what they have acquired overseas ; languages, cultures, behavioral patterns, etc., are skills truly needed to be a global manager, who may depend upon different identities, which become more or less salient, and which can contribute to seeing oneself and being seen by others as effective.²⁸

The present author highly recommends that Japanese companies promote recruiting returnee students as cadets for their future global managers. They will surely contribute much to the globalization of Japanese companies and Japan as a whole as well.

Conclusion

This paper examined challenges in global business communication and possible strategies for Japanese companies which want to globalize themselves. First, developments in global trade, business, and management were discussed from the viewpoint of co-existence and co-prosperity of nations and companies.

In the following sections, the paper attempted to discover possible reasons why Japanese companies in particular face such difficulties in the era of globalization. Two plausible explanations mentioned for Japanese companies' slowness in adapting to a more complex global environment include : the government's lack of awareness of the states communicative potential and highly-contextual requirements of Japanese language and communication styles. After addressing communication problems among local people and Japanese companies, the correlation between success of today's global corporations and an individual's cross cultural communicative ability were also introduced.

In addition paper provided more insight into the subtle differences between what people term 'language' and 'communication'. After clarifying definitions of communication, a more focused assessment of recent innovations in information technology was offered. Various aspects of globalization and the current situation of ICT progress in the major ICT-advanced countries were also reviewed and discussed.

To conclude the study, three reform plans to vitalize Japanese companies' globalization strategy were presented in the context of cross-cultural communication. The strategies include innovating cross-cultural business communication training systems (specifically ones English-oriented), practicing

a codifying system, and realizing the true potential of third country nationals and training returnee employees as cadets for global managers.

Notes

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- 27 Schneider and Barsoux, *op. cit.*, p. 209.
- 28 *Ibid.*