The link between cultural value systems and strategic marketing
Unlocking the mindset of Japanese and South Korean managers

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Abstract

Purpose – The purpose of this paper is to make clear how managers in Western organizations can understand the Japanese and Korean cultural value system and interpret the strategic decision-making process that exists within organizations exhibiting a collectivist culture.

Design/methodology/approach – A literature review was undertaken and several studies, either jointly or separately undertaken by the authors, were drawn upon in order to provide depth to the analysis and interpretation.

Findings – Although there are similarities between Japanese and Korean people, there are a number of distinct differences between them. These differences have come about as a result of Buddhism and Confucianism being adopted at different points in each country's history, and the fact that these countries have developed their own unique cultural value system. The differences manifest in organizational characteristics, which provide Japanese and Korean organizations with a specific identity, management model and way of doing business. What is evident, however, is that managers in both Japanese and Korean organizations are familiar with the relationship marketing concept and actively embrace the strategic marketing approach.

Research limitations/implications – Undertaking research into national cultural value systems and organizational cultural value systems is complex and requires an interdisciplinary approach. It can also be suggested that more emphasis needs to be placed on undertaking research of this kind in both Japan and Korea. Furthermore, it is advocated that a longitudinal study is undertaken in order to provide both evidence of how organizational cultural value systems within a collectivist culture change through time, and how cultural traits influence the decision-making process.

Practical implications – Managers in Western organizations will be able to relate to the value systems of Japanese and Korean organizations and as a consequence, will understand how long-term trustworthy relationships are developed. This should facilitate the negotiation of business deals and result in business partnerships being developed that are based on mutuality.

Originality/value – The interdisciplinary approach adopted allowed the authors to view culture from several perspectives and to link more firmly national cultural value systems with organizational cultural value systems, and with organizational identity. By adopting this research strategy, the authors were able to explain how organizational identity is influenced by and reinforced by the concept of strategic marketing.

Keywords National cultures, Japan, South Korea, Managers, Corporate identity, Relationship marketing

Paper type Research paper

Introduction

Japanese and South Korean (hereafter referred to as Korean) organizations, based at home and abroad, have been subjected to a number of influences and events that have resulted in senior managers implementing a process of organizational change. This paper provides insights into various aspects of business practice that Western

managers need to be aware of, when dealing with representatives from Japanese and Korean organizations, and which can be viewed as instructive when interpreting business-to-business and business-to-government relationships. In order that managers in Western organizations fully understand the link between corporate identity and organizational identity in an organization with a collectivist culture, it is necessary for them to understand how the relationship marketing concept underpins the strategic marketing approach. This is because managers in both Japanese and Korean organizations have a long-term and strategic oriented view of business, which manifests in the identification and satisfying of market demand worldwide. It is also necessary for managers in Western organizations to understand the link between human resource management policy and the strategic marketing decision-making process, owing to the fact that managers in both Japanese and Korean organizations place a great deal of emphasis on the behaviour of the employee and how the employee relates to other organizational representatives. By developing their understanding of how decision-makers within a collectivist managed organization interact with each other and staff in partner organizations, it should be possible for managers in Western organizations to develop an appreciation of how business deals with Japanese and Korean managers can be negotiated. By thinking through the complexities that underpin the business decision-making process, Western managers will be more able to understand the socio-cultural context within which Japanese and Korean organizations operate. An important point to note is that the authors of this paper took into account the comparability of countries (Douglas and Craig, 2006, p. 7) doctrine before they embarked upon the various studies that they have cited.

The paper highlights various historical information that will allow managers in Western organizations to understand how and why Japanese and Korean organizations are similar but different. The characteristics of Japanese and Korean organizations are highlighted and provide managers in Western organizations with an understanding of the strategic processes inherent in Japanese and Korean organizations. This should prove beneficial in the sense that managers in Western organizations will be able to build on their understanding and develop an appreciation of how transformational change is managed in Japanese and Korean organizations.

The paper starts with an explanation of Japanese and Korean national similarities and differences, and continues with a brief history of Buddhism and Confucianism in Japan and Korea. This is followed by a section that places Confucianism and Buddhism in context and reference is then made to a marketing oriented organizational culture. Next, attention is paid to the importance of relationship marketing and this is followed by organizational culture in context. Japanese organizational identity and Korean organizational identity are addressed, a link is made between organizational and corporate identity, and the work is concluded.

Japanese and Korean national cultural similarities and differences
Although Japan and Korea adopted Confucianism and Buddhism, the influence of Confucianism and Buddhism is different in each country (Lee, 2001). This is because the conditions prevailing in each country were different and the fact that Confucianism and Buddhism were adopted at different points in history. Buddhism was adopted by the Japanese and merged with Shintoism, and as a consequence Japanese rulers were able to develop government ceremonies that were in accordance with Shinto rituals (Osumi, 1992). Confucianism and Buddhism have influenced Japanese and Korean people and their characteristics, and to some degree is responsible for the management

models that have evolved and which are evident in Japanese and Korean organizations today. By having an appreciation of Asian national cultural values and traits, Western managers will develop a fuller understanding of the organizational dynamics that underpin the management decision-making process within Japanese and Korean organizations. Hence, senior managers do in order to manage effectively across cultures, need to have a wide knowledge and appreciation of a country's history and culture; and be able to interpret the values and beliefs held by people in that society (Clark, 1979; Lee and Trim, 1999; Reischauer and Jansen, 1999; Trim and Lee, 1999; Rowley and Bae, 2004).

Dawson (1992, p. 141) has indicated that Westerners have analysed Japanese organizational culture in order to interpret the Japanese model of the firm. However, to fully understand the success of Asian organizations, it is necessary to understand why they have been able to develop a strong corporate identity, and how this has resulted in the strategic marketing approach being adopted. For example, Buddhism and Confucianism have influenced both Japanese and Korean societies, but have also helped to establish the differences and similarities between Japanese and Korean people. Korea is one of the countries that has been extensively influenced by Confucian thought (Mei, 1967) and the acceptance of Confucianism allows the Asian model to be placed in an organization-society context (Rowley and Bae, 2004). Another point that has to be borne in mind is the role that government has played in industrial development and the development of the underlying social structure of society (Deuchler, 1992) that governs interaction. Lee (2001) has outlined the factors that Western managers need to be aware of when dealing with staff in Japanese and Korean organizations. However, in order to understand the complexities involved, it is necessary for Western managers to understand how religion helped to shape organizational identity. It is useful to note that according to Allen (1967, pp. 354-63), the essence of Buddhism is the Eightfold path, which represents means of eliminating sorrow and translates into the right view, right mindedness, the right speech, the right action, the right livelihood, the right endeavour, the right mindfulness, and the right concentration. Furthermore, the Eightfold path is itself divisible into three: morality, mental culture, and wisdom (Lee and Trim, 1999).

According to Mei (1967, pp. 293-8), Confucianism is concerned with benevolence, righteousness, decorum, wisdom and trustworthiness; and these five criteria influence specific relationships in society: between sovereign and subject; father and son; husband and wife; brother to brother; and friend to friend. It can also be added, that Confucianism has laid the foundation of an official system of government and a complementary social system, as well as the Chinese civil service examination system (Lee and Trim, 1999; Lee, 2001). With reference to Buddhism's concept of the right view, right mindedness and right endeavour and Confucianism's concept of trustworthiness; it is not possible to make a match (Lee, 2001, p. 267). It is useful to note, however, that neo-Confucianism did through time develop and become influential. Table I portrays the similarities between Buddhism and Confucianism.

Buddhism and Confucianism in Japan

According to Meyer (1993), Japanese society was during the period 400-700 AD, a loose federation where people worshipped Shintoism. Buddhism became prominent around 552 AD, and Confucianism and Daoism underpinned the value system of central government (Umehara, 1992, pp. 28-41). In 604 AD, Prince Shotoku published "The Constitution of Seventeen Articles" (*Jushichijo no Kenpo*) as a guide to state law

enforcement (Meyer, 1993, pp. 33-4). Buddhism had the effect of forcing Shintoism to take the form of a religion (Yanaga, 1967, p. 539) and today it can be stated that Buddhist ceremonies in Japan are in fact modifications of Shinto rites, which are related to ancestor worship (Osumi, 1992, p. 27; Trim and Lee, 1999, p. 31; Lee, 2001, p. 266). Prince Shotoku was a devout Buddhist and implemented a political doctrine of obedience based on the Confucian ethical system (*Jushicijo no Kenpo*) (Umehara, 1992, pp. 28-41; Meyer, 1993, pp. 33-4). Kukai founded the Shingon sect of Buddhism and became famous for introducing tea and kana into Japan, and wrote a book which expounded the tenets of Confucianism, Buddhism and Daoism (Meyer, 1993, p. 59; Trim and Lee, 1999, pp. 31-2).

Buddhism and Confucianism in Korea
According to Nahm (1988), Buddhism was officially adopted in Korea during the three kingdoms period (Koguryo, Paekche and Shilla), and Buddhism grew in importance throughout the years. During the Koryo period (918-1392 A.D.), the Chinese civil service examination system was adopted together with the land grant system, and Buddhism provided the mechanism by which the cultural base of the country was broadened. It was during this period that intellectual and religious activities developed rapidly. However, from the Kingdom of Choson period, Buddhism declined and was replaced with Confucianism, which underpinned the political system (Weems, 1966, p. 243; Nahm, 1988, p. 95; Deuchler, 1992, p. 90).

According to Nahm (1988), Confucianism dominated both public service and private affairs. In the Choson period, Confucianism became dominant (Mei, 1967; Nahm, 1988, p. 109), and Choson experienced a rebirth in all activities ranging from political structures to intellectual pursuits (including music and dance) (Nahm, 1988, p. 95 and p. 112). It was during this period that ancestor worship, succession and inheritance, the position of women in society and marriage, for example, became established (Deuchler, 1992, p. 5). Confucian moral and ethical principles dominated Korean society and underpinned human relationships. The book of Sushimso (self-cultivation) stressed the key Confucian aspects that were to be acknowledged: virtues and loyalty; filial piety; self-cultivation; and self-control (Nahm, 1988).

Placing Confucianism and Buddhism in context
It can be argued, that in Korea, Buddhism remained a religion and provided a means for governing, but Buddhism and Confucianism remained separate and did not merge to produce a central government system. In Japan, Buddhism and Shintoism became intertwined, and a central government system evolved that was influenced by both beliefs. Buddhism and Confucianism entered Japan and Korea at different stages in history and in a different sequence. This, together with other factors, is the reason why

Buddhism	Confucianism
Right action, right mindfulness	Benevolence
Right speech, right action	Righteousness
Right livelihood	Decorum
Right concentration	Wisdom

Source: Trim and Lee (1999, p. 32)

Table I.
Similarities between
Buddhism and
Confucianism

Japan and Korea have a separate cultural identity from that prevalent in China. It can also be suggested that Confucianism in Korea was adopted in order to support the aim of building schools to educate people and a national education examination system was devised to select people to serve in public life. In Japan, this was not the case. One can also suggest that the impact of Buddhism in Japan has been stronger than Buddhism in Korea, and this can be seen in various cultural activities such as the tea ceremony, flower arranging and Nou. Bearing the above in mind, it can be suggested that the key difference between the two countries is that Korea embraced Buddhism in a religious context as did Japan, but Korea embraced Confucianism in both a political and social context. It can be argued therefore, that Confucianism continues to have an influence on Korean society and that "this in turn impacts on big business" (Rowley and Bae, 2004, p. 303).

What is important to note is that both Japanese and Korean organizations are going through a transformational process at present. Bearing this in mind, managers in Western organizations need to think in terms of developing an analytical framework(s) that allows them to appreciate better how a "network matures and grows in influence and scope" (Buckley, 2004, p. 260). The "keiretsu" model that incorporates mutual shareholding is thought to be weakening and it is anticipated that reform will take place (Whittaker and Kurosawa, 1998, p. 767; Trim and Lee, 1999, p. 33). According to Lee (1996), both Japanese people and Korean people are guided by respect, modesty and politeness when they deal with other people and this is an approach that is embedded in their national cultural value system (Trim and Lee, 1999, p. 33). It is a fact that Japanese people prefer to beautify the language through forms of expression and that Korean people adhere to an "age language" concept (Lee, 2001, p. 268). Reflecting on the above, it can be suggested that the influence that Buddhism and Confucianism have had on Korea, is different to the influence that Buddhism and Shintoism have had on Japanese society (Lee, 2001, p. 268). It is also important to point out that Korean people are influenced by the concept of mutuality (Dacin *et al.*, 1997, p. 12), whereas Japanese people are more concerned with achieving a goal (Trim and Lee, 1999, p. 34).

Moran (1998, p. 25) has indicated that today, the new Korean economic model is likely to be represented as a free market style Anglo-American model, but it is expected to remain highly interventionist (influenced by the Korean government) and will reflect the Japanese model of "keiretsu" which propagates a "tightly knit group of firms involved in a range of industrial sectors, knitted together by common ownership of financial institutions". Similar views are offered by Mathews (1998, p. 757) and Trim and Lee (1999, p. 33). Today, Korean society is still strongly influenced by the teachings of Buddhism and Confucianism. What has been acknowledged is that harmony and family-oriented human resource management strategies; and creativity, value creation and a commitment to providing customer satisfaction are characteristics of Korean companies (Rowley and Bae, 2004, p. 306).

Yau (1988, p. 50) has indicated that Japan's economic crisis can be attributed to many factors such as deregulation and financial mismanagement for example. What is evident in Japan is that the retailing sector is more open to competition than previously and this is a direct result of the Japanese government relaxing protectionist policy (Dawson and Larke, 2004, p. 88). Changes in human resource management policy have occurred and various initiatives have resulted (Debroux, 2004, pp. 350-1). As a result of the emergence of a corporate governance policy finding acceptance, it is clear that employees consider themselves to be key stakeholders in Japanese companies (Debroux, 2004, p. 348).

Having established that there are similarities and differences between Japanese and Korean people, it is possible to outline the culturally embedded characteristics that are evident in Japanese and Korean organizations. Table II highlights the fact that although a collectivist mentality exists, Japanese employees adhere to polite speaking in order to avoid conflict and Korean employees pay attention to building relationships (possibly through imparting knowledge and information). As regards Japanese employees, relationship building is perceived as necessary in order that the organization's goals are achieved. Korean employees are keen to achieve a satisfactory result and consider mutuality to be important as it underpins the relationship building process (this can be perceived as a win-win outcome being achieved). Hence Korean employees do on occasion act as individuals and this contrasts with the way in which Japanese employees think and operate. The key point to note is that Japanese employees operate in a small group in order that no one individual is singled out. This ensures that harmony is maintained because the employees adhere to the shared values and beliefs that predominate. If something needs to be changed for example, it is clear that Japanese employees will work hard and persist in their cause until the objective is achieved (this is because power relationships are clearly defined). In the case of Korean organizations, employees may decide to challenge those above them in the hierarchy and engage in conflict, in order to ensure that the change that occurs is classified as constructive change. One can conclude that Korean employees are prepared to challenge and replace senior managers if necessary. Japanese employees do not adhere to this and view matters differently. Japanese employees consider that senior managers occupy their position in the hierarchy because they are there to provide them with direction. By remaining loyal, Japanese employees are viewed as loyal citizens and are rewarded accordingly.

A marketing oriented organizational culture

In order to appreciate the importance of an organization's value system and how it focuses the attention of organizationalists on producing marketable products and services, it is necessary to understand how organizationalists formulate and reinforce corporate identity, and how corporate identity is linked to the concept of organizational identity. Furthermore, it is necessary to highlight how the strategic marketing approach results in the strategic positioning of the organization. For example, Davis

Characteristic	Japanese	Korean
Collectivistic mentality	Yes, based on polite speaking	Yes, based on type of relationship
Goal oriented	Yes, it is a matter of achieving	Yes, to achieve a satisfactory result
Relationship oriented	Yes, based on avoiding conflict	Yes, based on mutuality
Small group oriented	Yes, more likely to act as a small group, based on shared values and beliefs	No, they prefer to act as individuals
Perception of conflict	Based on power relationship and the objective is to win through persistence	Acceptable, if it results in constructive change
View of leadership	Appointed to give direction and in return loyalty will be forthcoming	To be challenged and replaced if necessary

Table II.
Culturally embedded characteristics of Japanese and South Korean organizations

Source: Lee and Trim (1999); Trim and Lee (1999, p. 34)

(1984) has outlined how the vision of senior managers is translated into a strategic focus and how their guiding beliefs result in the implementation of a value driven strategy. Should this be the case, the strategic marketing concept can be adopted and implemented. One can suggest, therefore, that the classical view of marketing (Kotler, 1991) needs to be fully integrated within the organization's strategic marketing framework. This is necessary in order that senior managers develop what is known as a sustainable competitive advantage and focus on satisfying unmet (customer) needs (Aaker, 1992). Should this be the case, the link between corporate strategy and marketing strategy (Baker, 1996, p. 3,333) will become evident, and the organization's personality (value system) will be made visible through brand recognition. Simoes *et al.* (2005, p. 156) suggest that the application of branding at the corporate level, results in linkage between brand identity and corporate identity. When considering the context within which this occurs, it is necessary to understand the implications associated with creating fitness. Aaker (1992), Day (1994, pp. 41-43), Doyle (1994), Baker (1996) and Porter (1996) have explained that organizations need to establish synergies so that they can create fitness, and Bowman and Ambrosini (2000) have emphasised the fact that staff in organizations need to think in terms of creating value and then establishing how exchange value can be realized.

Creating fitness is increasingly being viewed from the perspective of inter-organizational integration, however, partnership formulation does not necessarily militate against the maintenance of a distinct organizational identity. Corporate identity can be placed in the context of organizational culture and identity formulation that allows an organization to develop a flexible strategy to achieve a sustainable competitive advantage (Porter, 1996). Doyle (1994), Piercy (1997) and Hooley *et al.* (1998) have explained the link between marketing and corporate strategy, by suggesting that marketing is a process of interactions between staff in the buyer organization and staff in the supplier organization. The interactions are continuous, and because of this can lead to an integrated corporate identity being developed that consolidates the organizational cultural value system. If staff in the manufacturer are dominant, they can exert influence on staff in the supplier organization, and as a consequence the texture of the supplier organization's corporate culture changes as its value system is modified. This is due to the fact that the dominant organization's cultural value system is underpinned by cultural traits that are embedded in a clearly defined national cultural value system.

McIvor and McHugh (2000, p. 223) have pointed out that in order that organizational partnerships succeed in terms of strategy implementation, it is necessary for all the members of the organization's marketing channel to be involved in the strategic decision-making process. This is normal practice within Japanese and Korean organizations, because of the network approach to doing business (Achrol and Kotler, 1999). Hence, the development of a partnership organizational culture emerges that is similar to the most dominant organization's organizational culture. It can be argued, therefore, that partnership arrangements are mechanisms through which an organization's identity can be changed through time. Another point that is worthy of attention is the fact that individualism is on the increase and as a consequence an organization's identity may be projected differently because it reflects better the social identities of adherents (Herriot and Scott-Jackson, 2002, p. 255). This is a key factor and an influential one, when changing market conditions force organizations to undergo restructuring, and senior managers implement a repositioning strategy.

In order for an organization to obtain a sustainable competitive advantage, the organization needs to be able to meet (in the form of products and services, and after sales service) the requirements of the customers; but this is not enough. Staff need also to be able to understand the movements of the competitors (Montgomery and Weinberg, 1991; Aaker, 1992, p. 167; Slater and Narver, 1994, pp. 24-25; Greenley, 1995, p. 7; Webster, 1997, p. 39), and this means that marketing intelligence needs to be accepted as worthwhile and necessary. In order to embrace change, senior managers need the psychological support of their subordinates if loyalty is to be forthcoming. Once commitment to the organization has been obtained, senior managers need to ensure that the organization's goals are based on realistic objectives (Bass, 1985; Slater and Narver, 1994, pp. 26-7 and 1995, pp. 68-9; Porter, 1996, pp. 70-5; Han *et al.*, 1998, p. 31; Harris, 1998, p. 368). It can be argued, therefore, that changing an organization's identity requires that the functions of marketing and human resource management are more fully integrated, in order that employees work towards achieving the objectives set. This should allow senior managers to understand better how an organization evolves and adapts to changing market situations (Chia, 1999). However, caution is needed. For example, Piercy and Rich (2004, pp. 156-7) have stated: "A principal problem in the closer integration of marketing and operations will be the process of bringing together the people and practices to achieve the increased organizational effectiveness this would offer".

The importance of relationship marketing

The relationship marketing concept has received much attention (Gronroos, 1994, 1997; Gummesson, 1993, 1998; Christopher *et al.*, 1994) and is a necessary component of strategic marketing. The key point to note is that the relationship marketing approach integrates the subjects of marketing and human resource management, and focuses on the co-ordination and flow of information sharing among staff, between functions, and on an inter-organizational basis (Cespedes, 1995, pp. 251-2; Platts and Yeung, 2000). The customer driven marketing oriented strategy concept has been given attention (Doyle, 1994; Baker, 1996; Porter, 1996; Hooley *et al.*, 1998) and in order for organizations to deploy a differentiation strategy (Porter, 1996, pp. 62-75) that is perceived as customer oriented, it is necessary for managers to analyse, re-assess and reinterpret the factors that result in organizational competitiveness. In order for an organization to provide a customised customer service, marketers need to segment customers but realize that customers are inherently different (Weitz *et al.*, 1995). National cultural values do influence the purchasing decision-making process (Luce *et al.*, 1999, p. 143; Varadarajan and Jayachandran, 1999, p. 120), and by recognizing that value is important to customers, senior managers should be able to craft customer service strategies that result in the retention of customers. This means that senior managers need to think in terms of establishing long-term, trust based mutual relationships with staff and employees in partner organizations. Internal relationship marketing (Ghoshal and Westeney, 1991, p. 22 and p. 25; Cespedes, 1995, p. 112 and pp. 249-55; Rucci *et al.*, 1998, pp. 83-4 and p. 91) is a key priority and so too is external relationship marketing (Day, 1994, pp. 43-4; Kahn, 1998, pp. 50-2) that results in satisfying, maintaining and retaining existing customers; and gaining referrals that attract new customers (Chistopher *et al.*, 1994, pp. 4-5; Gronroos, 1994, p. 13; Payne, 1994, pp. 29-31; Stone *et al.*, 1996, p. 676; Buttle, 1998; Price and Arnould, 1999, p. 50; Henning-Thurau, 2000, p. 55). What is of interest, is that the debate revolving around the role that marketing staff play in the strategic management process is continual and

it is pleasing to note that "marketing capability plays a dual role in competitive strategy by influencing both organizational innovation intensity and sustained competitive advantage" (Weerawardena, 2003, p. 28).

Organizational culture in context

Young (1989), Schein (1992), Hofstede (1996, 1997), Rosenfeld and Wilson (1999), and Lewis (2000) have argued that senior managers need to understand the importance of organizational culture for a number of reasons, one being that it allows employees to identity with the image of the organization. Should this be the case, then staff can adopt a supportive attitude to problem solving and remain committed to the organization (Fincham and Rhodes, 1999, pp. 417-8) during periods of difficulty. A strongly shared organizational culture allows staff within the organization to learn from each other through collaboration (Mourdoukoutas and Papadimitrious, 1998; Porter *et al.*, 2000); and this should result in the organization developing tacit knowledge (Huseman and Goodman, 1999, p. 186; Platts and Yeung, 2000, pp. 348-9). Hofstede (1997, p. 180) has added to the body of knowledge by stating that the term culture can be defined as "the collective programming of the mind which distinguishes the members of one group or category of people from another". Hofstede (1997, p. 180) also provides a useful definition of organizational culture, which he defines "as the collective programming of the mind which distinguishes the members of one organization from another".

A strongly shared organizational culture can facilitate the management of an international partnership arrangement, however, senior managers will need to have a knowledge of the national cultural value system and cultural traits of the people concerned. For example, a country's history, its economic trading pattern, and its political situation are all influential factors. Fincham and Rhodes (1999, pp. 411-2) have indicated that culture contains common meanings and ideas that are held by people. These meanings explain how people behave and indicate how they should be communicated to. Hofstede (1997) has contributed to the body of knowledge by linking national culture and organizational culture through the identification of five different national dimensions (scope) and six different organizational dimensions/practices, and this can be considered useful. Young (1989), Dawson (1992), Allaire and Firsirotu (1994), Hofstede (1996, 1997), Morgan (1997) and Rosenfeld and Wilson (1999), have suggested that organizational cultural values and beliefs manifest through a collective process during long periods. This is an important observation because it explains why organizations differ from one another, and why organizations develop different models of management. Young (1989, pp. 190-1) and Morden (1999) have argued that if senior managers understand how meanings in organizational culture are constructed, then senior managers can develop new messages through training programmes. Morden (1999) has gone further by suggesting that managers that develop knowledge of comparative national cultural differences can better understand the cultural value system of a country and can link better national traits and values with organizational traits and values. This will enable managers to be more aware of national cultural similarities and differences, and to identify locally appropriate management models and marketing concepts that are to be implemented in a specific country. One can also suggest that organizational strategists in particular, will be more pro-active in managing change, because they are able to understand the parameters of change (Chia, 1999). Hence, it is worth reflecting on the fact that: "there is an emerging consensus in the strategy literature on the need for incorporating both organizational and

environmental dimensions in explanations of competitive advantage and superior performance" (Fahy and Hooley, 2002, p. 245).

Although those managers involved in international partnership arrangements are aware of national cultural similarities and differences, they need to find ways to build long-term, trust based and mutually oriented relationships with various individuals/ stakeholders. The work of Jung and Avolio (1999) is inspiring vis-à-vis organizational cultural perspectives. Jung and Avolio (1999) carried out research into Asian culture and group work (Chinese, Japanese and Korean) and concluded that the transformational leadership approach is more suited to an oriental cultural setting than a Western cultural setting, where transactional leadership is favourable. Bae and Chung (1997, pp. 89-93) have suggested that in order for a Western manager to understand the motives of Korean workers, both national cultural aspects and social convergence need to be understood. Bae and Chung's (1997) research findings also indicate that Korean workers are loyal to their job and to the organization.

Wilkins and Ouchi (1983, pp. 468-9 and p. 475), Allaire and Firsirotu (1984, p. 210) and Fincham and Rhodes (1999, pp. 411-2) have indicated that culture is viewed as underpinning the values, and beliefs within a society, and because of this each organization has its own cultural identity, which is defined in terms of the characteristics embedded in all the members of the organization. An organization's identity is shaped by the shared set of values that people throughout the organization have and this in turn allows staff to interpret matters in a specifically defined way and it also provides the organization with a specific identity and image (Wilkins and Ouchi, 1983, p. 469; Allaire and Firsirotu, 1984, p. 216; Bate, 1984, pp. 45-6 and p. 59; Schein, 1984, p. 3 and 1992, p. 12; Young, 1989, pp. 188-90; Bloor and Dawson, 1994, p. 276; Rosenfeld and Wilson, 1999, p. 274). Handy (1986) and Rosenfeld and Wilson (1999, p. 278) have explained the relationship between culture and the social network of a labour force within an organization, and this is informative because it focuses attention on a number of sub-issues (power, roles, tasks and personal factors). Hofstede's (1997) work has established a link between national culture and organizational culture and is useful for explaining how organizational culture and an organization's identity differs from one national setting to another. It is also useful to note that groups of professionals within an organization can exhibit intrapreneurial behaviour (Sackmann, 1992, p. 149) and this may influence the development of an organization's identity. Olie (1994, pp. 386-7) has acknowledged that if a senior manager involved in a partnership relationship is able to identify with the values of the partner organization's culture, and then link these values to the national cultural characteristics of the country where the partner organization is based, the senior manager will be able to provide leadership that results in the organization being structured in a way that reflects the qualities embedded in the national cultural values that are inherent in the organization. This point has been acknowledged by Hofstede (1997, pp. 11-9).

Japanese organizational identity

Ichikawa (1993, pp. 52-3) and Mito *et al.* (1999, pp. 164-76) have outlined the characteristics of Japanese organizations and suggest that it is the secret instruments that make Japanese organizations successful. One such instrument is Japanese organizations' personnel systems such as *Syojokukata no sosiki, Sinkyoukakusotsuigkakusaiyou, Nenkousei, and Kigyoubetsuchingin*. Mito *et al.* (1999, p. 166) have noted that Japanese organizations' personnel systems known as *Syojokukata no sosiki*, consider that once an individual employee is hired by an organization, the individual thinks in terms of casting

in one's lot with the organization *(Unmeikyoudoutai)*. This view is recognized and shared by Hanaoka (1997, p. 147) and Sasajima (1993, p. 40). However, Debroux (2004, pp. 351-2) is right to point out that in the future, investors are likely to become more assertive and as a consequence the move towards market-centred corporate governance may result in greater labour mobility.

As regards employment policy, Mito *et al.* (1999, pp. 166-7) and Sano (1993, p. 15 and p. 33), have indicated that Japanese organizations adhere to *Sinkyoukakusotsuigkatsusaiyou*, which means that they recruit new comers in April every year as main staff, and *Kigyoubetsuchingin*, which means that remuneration is dependent on the size of the organization. The meaning of *Syusinkouyou or Nekousei/Nekoujyoletsusei* is that once people are employed by an organization they are guaranteed to be secure until they retire (*teinen*) from the organization, and during their period of employment within the organization their position and their payment, increase gradually *(teikisyoukaku)* (Ichikawa, 1993, p. 52; Campbell, 1994, pp. 26-7; Lorriman and Kenjo, 1994, pp. 46-7; Mito *et al.*, 1999, p. 165). But change is evident. For example, Debroux (2004, p. 351) has indicated that: "Japanese companies can no longer operate as self-sustained entities in a closed loop. Both managers and employees face new challenges".

Newly graduated school/university young people are employed in April each year. They are considered to be the main staff in the organization (*Sinkyukakusotsuigkatsusaiyou)* and will be provided with education and training by the organization which is termed *Syanaikyouiku*, which means "on-the-job training" and/or "off-the-job" training. New graduates are expected to have potential ability, which can be developed and they are provided with knowledge and skills by the organization via a training programme that is planned and coordinated (Okazaki-Ward, 1993, pp. 85-91; Mito *et al.*, 1999, p. 170). Also during the training programme, new employees learn about the organization's mission statement, its goals and how staff is expected to achieve the goals set (Campbell, 1994, p. 22 and p. 26; Mito *et al.*, 1999, p. 171). Distinguished "on-the-job training" (OJT) is provided to staff so that they can gain general knowledge relating to such tasks as accounting, commercial law, and accounting practices, and also they are schooled in their attitude and behaviour which is known as S*akaijin* (matured citizen) (Chikudate, 1999, p. 76) and "off-the-job training" (off-JT). This means that, in Japan, an individual once employed, is given time to develop his/her own knowledge and skills in order to fulfil his/her given task until the individual retires (Ichikawa, 1992, p. 21; Lorriman and Kenjo, 1994, pp. 112-3). However, this may no longer be the case if the concept of lifetime employment is not adhered to and young managers seek employment opportunities outside the organization. For example, Debroux (2004, p. 348) has stated that: "From now on, it can be expected that there will be still fewer core workers, more outsourcing and short-term contractual relationships; wage and fringe benefit differentials are likely to widen further. Fast promotion will be further facilitated for the high flyers but the probability of being demoted and laid off will increase for the other employees".

Korean organizational identity

Evidence provided by Song (1992, p. 192), Kim and Yi (1999, p. 76) and Rowley and Bae (2004, pp. 303-9) indicates that Korean organizational cultural value systems are based on the Confucian value system. For example, Lee Byung-chul the founder of Samsung and Chung Ju-Young the founder of Hyundai, asserted Confucian ethics as their business ethics when they established their organization. Ungson *et al.* (1997, pp. 69-70) have indicated that the management style evident in a large Korean company (chaebol) is paternalistic in orientation and it can be suggested that Korean companies, do to

some degree, exist to further the goals of government. Indeed, the founder of a Korean company normally assumes responsibility for the welfare of the employees, but this can be interpreted differently. For example, Jeong (1999, pp. 98-9) has suggested that the direct and influential form of management behaviour exercised by senior managers in Korean companies is authoritarian in nature. According to Shin (1999, pp. 40-1), Korean organizations have not always exhibited a clear organizational structure. The division between top managers and the founder or owner-manager and responsibility for decision-making has not been clearly defined. The strategy, decided by the founder or the founder's descendants, and the order of decision-making has been top down (Song, 1992, p. 195). It can also be noted that in the past, this type of management style has caused concern among trade union representatives.

Ungson *et al.* (1997, pp. 192-3) have indicated that Korean companies have a recruitment policy that incorporates two important aspects: *Yon-go* and *Gong-che*. *Yon-go* is based on Confucious' thought and refers to the network(s) that the individual belongs to and *Gong-che*, which is the visible employment system (Lee, 1998-1999, p. 33). Korean companies (chaebol's in particular) recruit graduates at two intervals during the year and pay a great deal of attention to each candidate's background, age, capability and attitude (group harmony is viewed as very important). Once employed, the employee will be provided with specific technical training and training that is aimed at improving their personal development. This is to ensure that the employee serves the company well and is rewarded with life time employment.

It can be suggested, however, that Korean organizations are undergoing a period of transformation (Lee, 2004a) and that the "strong sense of political rivalry and market competition" (Fitzgerald and Kim, 2004, p. 442) is likely to continue. As a result, various degrees of organizational reform can be expected. Although downsizing and indeed the closure of some companies has been evident in South Korea, the restructuring that has taken place should result in more flexibility vis-à-vis human resource management policy (Rowley and Bae, 2004, pp. 314-9). Indeed, the concept of lifetime employment and seniority-based rewards are no longer viewed as strengths (Rowley and Bae, 2004, p. 319). There is no doubt that the 1997 Asian financial crisis had a major impact on Korean companies (Kwon *et al.*, 2004, p. 425). It is important to note however, that Korean companies devise and implement a range of strategies (from strategic risk minimization to a high-risk orientation) and that they embrace the institutional learning concept (Rowley and Bae, 2004, p. 309 and p. 311). It is also important to recognize that Korean companies implement different strategies in various parts of the world (Kwon *et al.*, 2004, p. 431) and this suggests that Korean managers need to be able to adapt quickly to changing situations; and to exercise various degrees of flexibility with respect to business-to-business and business-to-government relations. Kim and Yi (1999, p. 74) have pointed out that managers in Korean organizations are required to have skills that facilitate collusion between the organization and the state. This is due to the fact that Korean organizations operate in a highly politicised environment and the state can make an organization win or lose. Woo (Kim and Yi, 1999, pp. 74-5) has explained why the state controls large organizations. Basically, the objective is to select the best managed organizations (Kim and Yi, 1999, p. 75; Shin, 1999, p. 42) in order to match an organizations' growth to government designed development schemes that are aimed at providing rapid national development. Managers in Korean organizations are able to control effectively, through strong traditional family ties, the work force as such a structure avoids uncertainty from inside the organization (Kim and Yi, 1999, p. 75). However, the state has been forced to

liberalise trade competition in the domestic market owing to pressure from the International Monetary Fund (IMF) which came to Korea's aid, when the world economy slowed down and buyers switched to buying products from China, Thailand and Malaysia (Kim and Yi, 1999). This was due to the fact that these countries benefited from lower-wage rates (Kim and Yi, 1999, pp. 78-9). As a consequence, Korean organizations found it difficult to compete (Kim and Yi, 1999, p. 77) and faced problems that had implications in the long-term.

Linking organizational and corporate identity

In order to understand how organizational identity and corporate identity are linked, it is necessary to have an insight into the strategic processes inherent in Japanese and Korean organizations. Lee (2004a, b) has outlined the characteristics of Japanese and Korean organizations and a number of key factors are evident (see Table III). Organizations from Japan and Korea have clearly defined corporate aims and measurable objectives. They identify with government aims and objectives, and are stakeholder oriented. It is not surprising to note that they have well defined customer service policies that are customer focused and embrace the concept of relationship marketing. Continual development is underpinned by the organizational learning approach and institutional learning is prominent. The information in Table III indicates that staff in Japanese and Korean organizations are motivated, loyal and consider that serving the organization requires that they understand and embrace the concept of strategic marketing. It is the link between marketing and human resource management and the fact that the outcomes are goal focused, that suggest that organizational identity and corporate identity are in phase, and are supported by and reinforce the strategic marketing approach. It is evident that staff in Japanese

	Japanese organizations	Korean organizations
Aims and objectives	Clearly specified Measurable	Clearly defined Measurable Internationally focused
Priorities	Meeting government expectations Satisfying customers Continual improvement Innovation and adaptation	Defined in the short, medium and long-term Innovation and adaptation Survival and growth
Means	Clear vision Clear leadership Group decision-making Open communication Staff training and development	Collaboration with partner organizations Collaboration with local universities Emphasis on meeting short-term targets Recruitment of experienced, skilled and motivated individuals Effective communication with staff
Outcomes	Collectivist culture Global focus Partnership oriented Loyal staff A multi-level intelligence focus	Collaborative culture Goal focus Motivated staff Highly skilled staff Risk taking Competitive organizational culture

Table III.
Characteristics of Japanese and Korean organizations

Source: Lee (2004a, b)

organizations are continually engaged in communication that is based on equality of understanding (Lee, 2004b, p. 156) and staff in Korean organizations develop a value system that is organization oriented (Lee, 2004a, p. 33). What is clear, is that staff entering Japanese and Korean organizations are selected according to strict criteria, two of which are their ability to perform the job they are recruited to undertake and also, their perceived loyalty to the organization. As regards the concept of loyalty, employees are expected to remain committed to the organization and to adapt to the circumstances imposed upon them by top management. There is however, likely to be an increasing tendency for employees of both Japanese and Korean organizations to view themselves as important stakeholders and as a result demand a greater say in the management decision process of the organization.

Conclusion

It is clear from the above that Japanese and Korean organizations are going through a process of change that will result in new management models and concepts being produced, and as a consequence, new forms of strategic intent will be realized. Although there are similarities between Japanese and Korean organizations, there are a number of differences that need to be fully appreciated in order that the cultural integrity of the strategic management models that emerge are fully appreciated. There is no doubt that the socio-cultural context within which Japanese and Korean organizations operate is underpinned by a belief that a high level customer service is important and this in turn demands that organizational staff adhere to the relationship marketing approach. It is also possible to state that the concepts of organizational identity and corporate identity are intertwined, and that although Asian organizations are embedded in a collectivist culture, there are a number of differences between Japanese and Korean organizations. It is these differences that result in managers seeking and finding creative solutions to existing and evolving business problems. By embracing change, it is possible to suggest that new management practices will result in a more determined effort to embrace and deploy the strategic marketing concept. This in turn will ensure that the organizational staff adopt a pro-active approach to decision-making and this should result in greater risk taking with respect to the implementation of marketing strategies to satisfy future market opportunities.

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