

VĂN HÓA TỔ CHỨC CỦA CÁC DOANH NGHIỆP NHẬT BẢN VÀ BÀI HỌC CHO CÁC DOANH NGHIỆP VIỆT NAM

ORGANIZATIONAL CULTURE OF JAPANESE FIRMS AND LESSONS FOR VIETNAMESE ENTERPRISES

Ngày nhận bài: 20/08/2019

Ngày chấp nhận đăng: 11/02/2020

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ABSTRACT

Organizational culture or corporate culture is a special asset of an organization which was once considered as “precious spiritual treasure”. It plays an important role in organizations. This paper reviews the definition, importance and the structure of organizational culture as the background to analyze common characteristics of Japanese firms’ culture. Specifically, the organizational culture of Panasonic and Isowa are diagnosed to provide the outstanding aspects of them in order to give some lessons for Vietnamese enterprises.

Keywords: organizational culture, corporate culture, Japan

1. Introduction

Organizational culture helps create the unique identities for each organization, reduce risks through the underlying coordination and controlling system, motivate members to work effectively and develop organizational competitive advantages (Schein, 1985). This is because of the beliefs, values and underlying assumptions which are shared among members within the organization. Japanese organizations have paid attention and efforts to develop their cultures with special characteristics that have contributed to their success over the years. That is the reason why studying organizational culture of Japanese firms is necessary for other enterprises to build and develop strong cultures. This paper will review some literatures on organizational culture, then study some outstanding culture of Japanese firms. By understanding the culture of these firms and the way they develop organizational culture, some lessons can be learnt by Vietnamese enterprises.

2. Literature review and Research methodology

2.1. Literature review

2.1.1. Definition

According to Bate (1994), organisational culture or corporate culture is defined in different ways of ‘anthropological’ researchers and ‘scientific rationalists’. Anthropological researchers considered organisational culture (like national cultures) as a pattern of shared basic assumptions which were developed and learnt by a group to deal with the issues of external and internal environment; it became valid after having worked well enough to be considered as a good way to perceive, think and behave (Schein, 1985). For example, Ogbonna (1992) defines organisational culture as the results of interlacing a person into a community and ‘collective programming of the mind that distinguish members’; it includes ‘norms, values, beliefs, and customs’ of an individual which are in common with

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other individuals of a community. Another definition of organisational culture which is considered as frequently used and helpful (Herzog, 2008) was provided by Edgar Schein. Schein (1985: 9) defines organisational culture as follows: “A pattern of shared basic assumptions that the group learned as it solved its problems that has worked well enough to be considered valid and is passed on to new members as the correct way to perceive, think, and feel in relation to those problems.”

In these approaches, leaders are not the persons who initially created organisational culture, however, their behaviours and beliefs became assumptions day by day which can be shared by members within the organisations.

Whereas in the perspective of ‘scientific rationalists’, organisational culture is seen as “important value, beliefs, and understandings that members share in common’ that could provide managers with better ways of thinking and responding in order to make decisions and manage the organisations (Sun, 2008). Similarly, Denison (1990) indicates that organisational culture is ‘underlying values, beliefs, and principles’ which develop the management system of the organisation. In short, although there have been different approaches of organisational culture, most theorists have some similarities in defining organisational culture which are generally described as sets of norms, values, beliefs, attitudes, symbols, and behaviours that are shared by all members within an organisation that represent the unique characteristic of the organisation (Morgan, 1997).

2.1.2. Structure of Organisational Culture

Edgar Schein, one of the foremost researchers in topic, proposes a structural model of organisational culture which is used as a framework to analyse organisational

culture in later researches. Schein (1985) argues that there are three levels of organisational culture which are artefacts, espoused beliefs and values, and underlying assumptions. These three levels are shown in Figure 1 below.

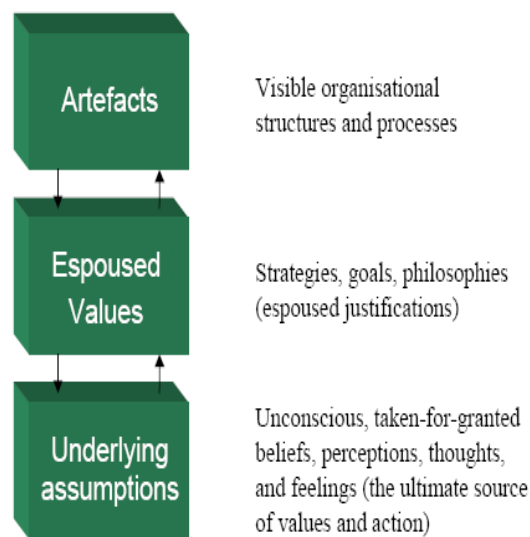


Figure 1. Schein (1985)'s model of organizational culture

The first level is artefacts which are tangible and easily seen by outsiders. For example, customs, office design, architecture, celebrations, rituals and language are artefacts. However, Schein (1985) notes that it is hard to decipher these elements because they only show the superficial aspects of organisational culture, so it is necessary to understand other levels when studying an organisational culture. The second level includes espoused values of the organisation such as strategies, goals, operating philosophies and principles which can be directions to the behaviours within the organisation. According to Hofstede (1991), it is difficult to see the values until it is demonstrated by behaviours; Schein (1985) also notes that values are only visible when they are shared by members of an organisation. An organisational culture includes many values; some of them may get along with others such as personal

achievement and independence, whereas some may conflict with others such as team work and autonomy. For Schein (1985), the most important level of organisational culture is the deepest level, underlying assumptions. They are taken for granted and unconscious and deeply entrenched. Underlying assumptions are considered as a way of guiding behaviours by directing the way people within an organisation should perceive, think, and behave.

2.2. Research methods

Qualitative methods were seen as useful ways to measure deeper level of organisational culture, and quantitative methods were only limited to shallower level (Smircich, 1983; Ott, 1989; Schein, 1990). Interpretive interactionism argues that intangible aspects of social life such as attitudes cannot be stated numerically (Burgess, 1927; Blumer, 1969; Burrell and Morgan, 1979). For them, only through qualitative methods such as intensive interviews, the deepest level of organisational culture can be revealed. Besides, observations can be used to have an insight of visible elements of organizational culture.

This research uses information from lectures and discussion with Japanese experts as well as observations through the field trip in the framework of Keieijuku 8 executive training course by VJCC Institution in 2017. There were 16 Japanese organizations and firms in manufacturing (ceramics, steel, industrial machines, components), consumer production (alcohol, soy sauce), Japanese traditional restaurants and Japanese top universities. The methods used in this research include observations and in-depth interviews with leaders of those organizations to collect and clarify information.

3. Findings and Discussion

3.1. Organizational culture of Japanese firms

3.1.1. Overview to Japanese organizational culture

Japan has a long historical and diversified culture which has been influenced by the thousand-years traditions as well as the modern life with the top technology and innovation in the world. Immigrations are not encouraged in Japan, so Japan is a united ethnic.

In order to have a sustainable development business community, Japanese firms have been paying attention to develop their cultures. Over the history, obstacles and natural disasters such as earthquakes and tsunamis, Japanese have been strongly standing up and reinforced their national spirit of strength, patience, and endurance. Especially, samurai spirit has been shared from generations to generations. Organizational culture is considered as the core practice in relationship development and management in Japanese organizational to build the special characteristics which are discipline and work effectiveness.

a) Dignification at the workplace

In Japan, during the meeting, each person always gives his/her ideas clearly, slowly whereas listeners pay their attention to the speakers. The key point here is the dignification at the workplace which leads to seriousness, then work can be done effectively. (through our field trip to 16 Japanese organizations, it can be seen that everything is prepared and implemented carefully and seriously such as the layout, the atmosphere at the workplace, the solemn and warm greetings, the safety at work, the preparation for helmets, safety uniforms, shoes to visit factories).

b) Consistency and special identity

The unitedness of ethnics allows Japanese to build a consistent and identifiable culture. Shinto and Buddhism are two major religions of Japanese people. They live simply and purely, especially, friendly with natural environment. They highly respect which are gifted by nature and even consider some natural phenomenon and resources as angels. For example: Sun Angel, Sea Angel, Mountain Angel, etc. Japanese people respect those angels (Kami) and pray for them protection. This can be seen through the practice of producing Miso and Tamari soy sauce in Morita aji no Yakata organization, angels are respected during their production and give them the beliefs in their production know-how and tools which have been protected for more than 300 years.

Japanese organizations always focus on the consistency and identities in management and development which help them implement division of labor effectively and create competitive advantages in the business world. For example, Metal Heat Co. Ltd, established in 1973, with revenue of 820 million yen and 50 employees, has built their competitive advantages in heat treatment techniques innovation and is proud of their brand as the leader in vacuum heat treatment industry in Japan.

c) Human focus

In Japanese's opinions, the best resource is human. Qualification and skills can be trained while human psychology and behaviors are the most important factors in recruitment and selection. That is why people will have orientation for their behaviors if they understand the mission, vision, philosophy and goals of the organization they work for. In addition, Japanese leaders always focus on people development, trust in employees, motivate them and play the role

model for employees to follow. For example, Mr. Yamamoto Nobutane (former CEO of Panasonic) is respected widely by Japanese businesspeople community and the business world because of his opinions and practices in human resources management and putting a fire in the heart of employees.

d) Collectivism

The support of many people can bring more confidence and power. Many Japanese organizations requires employees to queue up and speak out loud their slogan as a way of inspiration and determination. Isowa Corporation is an example. The leader of Isowa has collected ideas and evaluation on his leadership from all employees over the last 7 years that not only brings efficiency improvement but also provides a good opportunity for employees to show their competencies and raise their voice on internal issues of the organization. As a result, the organization will be better and employees will have more motivation and trust. Similarly, Yabashi Holdings Co., Ltd issues a quarterly press to motivate employees. In this organization's basic assumptions, once employees and their family are happy, the company will be successful because they work and develop their career for themselves, for their family so that their family will have happiness and prosperity when the company achieve sustainable development.

e) Customer focus

Business philosophy of Japanese firms is bringing satisfaction to customers, then happiness to themselves. The success of the company comes from the support of the market and customers. Therefore, Japanese firms will do their best to serve the customers, truly care about them and satisfy their needs and expectation. This is also the standards to guide the behaviors of employees in Japanese companies.

f) Social responsibility

Natural and environmental problems are one of the important subjects in Japanese education which nurture the young generations the love with nature as well as their autonomy. This is impressive to authors after the visit to Yokkaichi Pollution and Environmental Museum for Future Awareness and Kasumi Kyodo Jigyo Co., Ltd. That is why Japanese people have a good habit of keeping the public places clean and clear. Tables, chairs, boards and floors are cleaned carefully and there is no rubbish in the workplace. As a result, all employees have their responsibility and involvement in keeping the workplace clean, they can be proud of their office and work mood is much better. Clean and clear is one of the goals and one of the criteria to achieve quality in many Japanese organizations.

For Japanese people, doing business is not only for profit but also for society, for humanity, and working today for a brighter tomorrow. Therefore, Japanese organizations and especially the leaders always have the social responsibility. They care about the society when doing business, providing products and services as well as thinking about the future. They also conclude their lessons and experiences for the next generations, Mr. Matsushita and Mr. Nobutane of Panasonic are 2 outstanding examples.

From the above general characteristics of Japanese organizational culture, the following part will focus on 2 case studies of 2 organizations which were observed much and gave an impression and many lessons to authors after the field trip.

3.1.2. Organizational culture of Panasonic

a) An overview to Panasonic

Panasonic was established in 1918 and headquarters in Osaka, Japan with annual

revenue of 7.343 billion yen and 257.533 employees working in 495 subsidiaries.

Taking about Panasonic, the founder Mr. Matsushita Konosuke is always mentioned as "the god of management" who first started up and developed Matsushita Electric Industrial Co., Ltd. He is also the first businessman who used the national brand for the product of his company. Panasonic always focus on developing cultural values through creating and procting their brandname, developing technology, designing products as well as respecting history, developing sustainably, being transparent and creating job opportunities.

b) Artefacts

About the name, Panasonic is the combination of "Pan"(Universal) and "Sonic"(Sound) and has a meaning of bringing sound our company creates to the world. About logo, Panasonic Blue was first adopted as a corporate color in 1974. Panasonic Blue was introduced as a new brand color, using a photo of the sky at dawn, immediately before the sun rises from the horizon, which symbolized the future and a sense of anticipation, as a visual backdrop. Its motif is the unique blue sky that can be seen only for a brief moment at dawn when the dark night sky changes to a bright morning sky, representing new hopes for the new day about to begin. The color suggests sophistication, intelligence and motivation, enhances the ability to focus and concentrate, and gives a feeling of confidence to the people around it.ⁱ

About slogan, Panasonic has changed the slogan 3 times since 2003 from "Ideas for Life" (2003–2013) to "A Better Life, A Better World" (2013–2017) and now "Let's Live Life Better". The new brand slogan is based on the unchanging basic management objective the company has adhered to since

its founding and expresses the vision and direction the company is striving to achieve. Panasonic's vision of expanding and pursuing a better life for each individual customer with its various partners in various spaces and fields and realizing a better world globally through its contribution to the environment and society.

About rituals, Panasonic follows the traditional rituals of Japan such as salutation. Every morning, all members of board of management and employees will salute each other, do the morning exercises and have lunch together in the company's canteen to build solidarity and consistency.

c) Espoused values

Basic business philosophy helps Panasonic determine our objectives, approach to business activities, and the general direction of our company which has been considered as a compass, helping the company set and maintain the right direction for business since the establishment in 1918. First, Panasonic focuses on finding valuable resources, including human resources, materials, funds and information. Next, these resources are used to create value-added products and services. Finally, these products and services are made to be available all over the world. Therefore, creating value and contributing to society is the primary mission to achieve sustainable development.

Following the business philosophy, over the years, Panasonic has focused on the quality products and services to customers as well as implement many social activities dealing with some problems of poverty, energy, education, foods, medical and health. Panasonic contributes to the society through their business. One example is a project of 100,000 solid energy lanterns which were assembled in developing countries in the

fiscal year 2012 to celebrate 100th year anniversary of the company.

d) Basic underlying assumptions

From the philosophy of supporting the society especially the next generations, Panasonic believes that those generations will contribute a sustainable society. Panasonis Kids School was established to provide favoured programs to support dreams and future of children in the world.

Moreover, to save and spread the organizational traditions, Panasonic Konosuke Matsushita Museum was built to show the ideological system of Mr. Matsushita and his opinions, philosophies and basic assumptions in management. For him, the leaders should have a pure heart and fresh mind with the love towards people and strong beliefs towards a bright future for the homeland. He was famous for his philosophies including "pave the way": "each person has the own way to go. This way sometimes is large and narrow, sometimes is flat and sloping. However, you can find your own way to go by your faith, brave, patience and determination." This philosophy has become the beliefs and orientation for the next generations.

3.1.3. Organizational culture of Isowa

a) An overview to Isowa

Isowa Corporation started a private company with a small shop of Isowa family in 1920. Up to now, the corporation now works in the fields of engineering, manufacture and sales of corrugated machinery with 268 employees and the revenue of 12.4 billion yen and 750 patents. From 2007-2012, Isowa continuously achieved the awards and prized granted by Japan Invention Promotion Institute and Daily Industrial Newspaper Publishing Company.

b) Artefacts

About logo, similar to Panasonic, Isowa Corporation uses blue and white color for logos and website. The color of workers' uniform in Isowa factory is also blue and white. For them, those colors express not only the dream of flying high but also the hygiene and well-order of the corporation. Isowa tries their best to become the leading corrugated manufacturer with the clean environment.

About slogan, "Supplying a dream in a corrugated box." and "A Dream Box made by the Box Dream" were chosen because Isowa tries to introduce to the market, is the world's first high-speed digital printer for the wide-width corrugated sheet. Isowa's mission is rather large: trying to start a revolution in the corrugated industry by changing the conventional flexo printing to digital printing. By using the Box Dream Digital Printer, a company can run a zero-emission printing operation because waste ink, wash water and cleaning solutions can be eliminated. This will lead to production of eco-friendly corrugated products. The corrugated sheet can then establish itself as environmentally responsible product.ⁱⁱ

Besides, in the factory there is a slogan: "Employee Satisfaction comes before Customer Satisfaction. Employees cannot create Customer Satisfaction if they are not satisfied enough with their company." For leaders of Isowa, if employees feel satisfied, they will work harder and better, they will commit to work and try their best to satisfy customers.

About rituals, a family day is organized annually to communicate and connect employees and their family members in order to let their family understand their job and the corporation, then create the sustainable relationship between employees and the corporation. The President and CEO of Isowa

has the principle of "51%-49%: Family – Work", stating that family is more important than work. That is why employees cannot be required to love their jobs more than their family. In addition to traditional rituals of Japanese such as salutation and doing exercises together, commemorative ceremonies are organized to memorize the death employees who dedicated for the development of the corporation.

c) Espoused values

Mr. Hideyuki Isowa - President and CEO of Isowa is very passionate in developing the organizational culture of Isowa with the aim towards having the best corporate culture in the world: where everyone can have thoughtful discussion in a frank and open atmosphere. Thoughtful management means contributing to the society. For him, to guarantee continued growth and existence, a company president only has to worry about two things: one is to create and maintain an appropriate set of management strategies, the other is to create a corporate culture in which the employees can enjoy the work and want to do a good job.

The mission statement of Isowa is: "Quickness and Interaction":

- ✓ Take the Initiative - Accepting challenges is the highest of virtues
- ✓ Extend a hand - Nurturing mutual trust and communication among people
- ✓ Brighten the atmosphere - Creating a frank and open working environment

Isowa's collective aim is to truly understand this statement and eventually realize them. All members are getting closer everyday through thoughtful discussions in a frank and open atmosphere. The corporations's history, milestones, stories are posted on the website for employees to update information as well as understand and be closer to the corporation as their family.

d) Basic underlying assumptions

Isowa Corporation as well as the leader believe that once employees are happy, being respected and satisfied, they will try their best and contribute to the corporation. Before 2001, employees worked silently, they just finished their assigned tasks, followed instructions and rarely care about others' tasks. In 2001, in the 80th year anniversary of Isowa, the President and CEO meet Mr. Masaharu Shibata, an expert in organization development, who consulted that Isowa should develop the organizational culture to achieve sustainable development. This is a new knowledge to him, but he highly realized the importance of this change so that employees were encouraged to have meetings after work. At first, some employees were concerned about the effectiveness of this idea, then there were 8 of them decided to participate. This was also the time for many Japanese corporation to restructure and change. The more they changed, the more effectiveness was revealed. As a result, more and more employees involved in this change and improvement. Then Isowa was awarded a lot of prizes and patents.

Moreover, the President and CEO always wonders whether employees are happy and satisfied or not. He believes that there are always somethings to learn, leaders should be humble and listen to advice. Therefore, in 2007, he started to get feedback from all employees on his leadership. The rate of satisfaction was low for the very first years, but he was not upset while organizing some meetings to listen to employees and have recommendations to improve his leadership. After 6 years, the rate increased sharply, up to 80%. This leads to improvements of the organizational performances and creates an open environment in Isowa.

3.2. Lessons for Vietnamese enterprises from organizational culture of Japanese firms

After analyzing the organizational culture of Japanese firms in general and the 2 case studies of Panasonic and Isowa Corporation in particular, it can be seen that Japanese firms have built their traditions and the strong culture which are highly appreciated. In this part, some lessons from them will be recommended for Vietnamese enterprises to consider in developing their own culture.

3.2.1. Leaders have to be the role model for organizational culture

The role and influences of Panasonic's founder is not only over this organization but also spread to Japanese business community. Leaders decide the vision, goals and strategies, then deliver them to all members of the organization and inspire them to do that. Japanese culture emphasizes on the role of leaders, as they contribute to the organization and the society, they are admired and be the role model. Therefore, if leaders show their dedication, responsibility and determination as well as respect employees, they will involve and support leaders in all activities. Of course, employees will consider leaders as a mirror to learn from them. This is what Vietnamese leaders can learn from them. Leaders should pay attention to the internal relationship by having meetings, sharing transparently and widely, listening carefully, then employees will see that they are respected and recognized. They will automatically learn from that and contribute more.

3.2.2. Prioritize resources to develop organizational culture

Organizational culture can only be strong when it is widely shared among members. Particularly, employees have to understand the values of the culture that they are in and

how those values are related to themselves, to their family and to the society. Japanese people highly appreciate traditions and rituals so that resources are invested in protecting and spreading them. Leaders set the priority of building brandname, slogan in the workplace, anniversaries and ceremonies for all members and their family, museums, exhibitions and commemoration of dedicated people during the history of the organization which can remind all members as well as guide the new comers with organizational values. However, they are just visible elements. In order to let basic assumptions and core values influence all members, the organization should also spend on behavior orientation and respecting core values through encouragement and punishment systems and policies.

3.2.3. Put the trust in employees and strengthen solidarity

Mark Leslie, founder and chairman of Veritas Software once said “If you want to be trusted, you must learn how to trust”. Japanese leaders have done a good job in building trust. President of Isowa have spent more than 7 years to collect feedback of employees on his leadership. Therefore, leaders should listen and respect employees’ recommendation which can help improve, develop the organization as well as build good relationship between leaders and members. Japanese people highly appreciate human development and collectivism or solidarity (Hofstede, 1991). Vietnamese culture also respects those values over the history. This is the reason why common trust and togetherness really matter. The key here is shared tasks, shared responsibility, shared benefits and shared success.

3.2.4. Be patient in developing organizational culture

Organizational culture cannot be easily and quickly developed or changed. Panasonic or Isowa and other Japanese organizations need to spend years to develop their cultures. Founders and leaders from generations to generations have been contributing to the values and spreading them to all members during their periods. Japanese people are famous for their patience and strengths to overcome natural disasters and damages so that the way they make great effort and energy to build organizational culture is really reasonable. Therefore, Vietnamese enterprises can learn from them and have a long-term orientation and plans to develop organizational culture.

4. Conclusion

Each organization has its own identities and core values to connect all members and guide their behaviors so that developing organizational culture is very important. By studying organizational culture of Japanese firms in general, Panasonic and Isowa in particular, this paper has pointed out the keys in developing organizational culture of them, then lessons for Vietnamese enterprises have been drawn. Even though observing 16 Japanese organization and interviews have limitations of being subjective, authors still expect that from these lessons, Vietnamese enterprises will have necessary information and consider their situations as well as characteristics to have orientations and plans to build their organizational culture in order to reach sustainable development.

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ⁱ https://www.panasonic.com/global/corporate/brand/our-brand/brand_identity/corporate_brand.html

ⁱⁱ <http://www.isowa.com/isowa/03.asp>