Cultural and Managerial Comparisons:
An Analysis of the Use of Email and WWW in Japan and United States

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I. INTRODUCTION

Internet use has exploded in both the public and private sectors. It seems that everyone, in business and private settings alike, "surfs the net." This flurry of activity on the Internet is not only affecting the United States, but other countries as well [1, 3, 4, 8].

A range of new information technologies has been developed to support an organization's need for information and communication, and to keep up with the growing influence of information technology in the business environment. The use of electronic mail to communicate within the company and its divisions and creation and maintenance of web pages on the World Wide Web (WWW) as a way to both disseminate information and market a company to a truly international audience [1, 2].

Japan is one country that has been slow to adopt Internet technologies into mainstream business. Despite Japan's position as a world leader in other areas of information technology, Japan lags far behind the U.S. in the use of Internet technology for business applications [1, 2, 8]. The goal of this work is to identify and discuss the cultural reasons for this lag. It will be shown that Japanese cultural and managerial norms that currently inhibit the adoption of Internet technologies will ultimately guide their successful exploitation of email and WWW technologies, and that in fact, their strategy of "time passing" is likely underway.

Section II discusses Japanese culture and Japan's philosophy of the group, a discussion that forms the foundation and context for Section III, Japanese management style. Section IV highlights the major differences between the U.S. and Japan with respect to e-mail and WWW page utilization. Section V analyzes two cultural norms (leadership path and hanko) that currently block Japanese business' full exploitation of Internet technology and must be incorporated into the Japanese strategy for Internet utilization. In Section VI, the paper concludes with the implications for management.

II. JAPANESE CULTURE AND GROUP PHILOSOPHY

Culture is a powerful force which affects all areas of life, including how businesses are run and managerial decisions are made. Thus, before understanding how the Japanese do business, one must understand the

underlying culture [7]. It is important to note that culture has an ongoing influence and interaction with other factors such as the information technology infrastructure and adoption patterns for technology.

The root of Japanese culture is a concern for the protection and perseverance of the Japanese society as a stable but dynamic whole. Unlike the U.S., Japan is not a melting pot of different races, religions, and cultures. Japan truly is a homogeneous society, and Japanese value that homogeneity in appearance, behaviors, and decision making processes. Building upon and reinforcing the extraordinary uniformity in 19th century Japan, modern Japanese governments have developed a unified citizenry through political centralization and uniform education [6, p. 217]. As a result, Japan does not have the regional and ethnic diversity of the United States.

This homogeneity allows Japan to have a specific and well understood national culture, in which each member understands where s/he fits and what is expected. In this culture, rules of behavior are understood and conformity to these rules comes from centuries of cultural influence and ethnic pride. In this culture, if an individual is not Japanese, s/he is *Gaijin* – a foreigner [7], regardless of one's fluency with the language or acceptance and adherence to norms. Japanese culture ensures that *Gaijin* are never fully integrated into society. This practice is wholly consistent with a second powerful cultural value: the group.

Perhaps the most notable cultural characteristic of the Japanese is their philosophy of grouping. The Japanese think and organize in terms of the group in many circumstances where the U.S. culture encourages focus upon the individual. Everything in Japanese culture emanates from the group(s) to which an individual belongs, even when decisions are made at the expense of an individual [6].

This societal orientation is mirrored in Japanese business organizational structure. Given the societal ethnic homogeneity, groups are organized and distinguished from one another on the basis of work group and employer group memberships.

The corporate culture in Japan promotes lifetime employment, and Japanese typically join a company for life. One's company forms one's primary reference group and influences the employee well beyond regular work hours and locations. For example, it is very common in Japan to participate in company sponsored group outings, including company-group vacations.

The Japanese term *kaisha* symbolizes their group consciousness. There is no equivalent English term for *kaisha* which means "my" or "our" company or the community to which one belongs primarily, an identification

that is all-important in one's life [5, page 3]. Japanese ethnic homogeneity and *kaisha* do not imply equality among members, and actually coexists with a complex system of ranking individuals.

For the Japanese, rank is so precisely determined that equality is rare — everyone and everything are at least slightly above or below the nearest apparent equal. Family members, work mates, schools, companies, even nations and races are all ranked. The resulting hierarchy is inseparable from social orderliness, and no group is properly organized until its members are clearly ranked [7].

Understanding the cultural homogeneity, *kaisha*, and ranking – especially the profound ways in which these concepts differ from mainstream U.S. values – will enable U.S. managers to engage in more successful business interactions with Japanese counterparts.

III. CHARACTERISTICS OF JAPANESE AND U.S. MANAGEMENT STYLES

Synthesizing an analytic framework from the literature, four concepts are useful to analyze management styles: Core Value, Identity, Logic, and Communications. This section provides an analysis of these concepts with respect to characteristics of U.S. and Japanese managers, and Table 1 summarizes the analysis.

Table 1: Culturally-induced Impact on Management Styles: A Comparison

Concept	Japan	U.S.
Core Value	Relationship	Objective/Task
Identity	Unit/Group	Individualistic
Logic	Contextual	Linear
Communications	Ambiguous	Direct

The foundation for management style is revealed through core values: a concept upon which Japanese and U.S. managers differ widely. Japanese managers give highest priority to establishing and maintaining long term, positive business relationships. U.S. managers, on the other hand, give priority to task accomplishment. To Japanese managers, establishing a long-term relationship is more important that accomplishing the task at hand, while U.S. managers will more readily consider compromising a relationship to accomplish near term goals. From this foundation, other differences between Japanese and U.S. management styles can be understood.

U.S. managers regard themselves as individuals, and are evaluated on the basis of their individual contributions toward meeting corporate goals and objectives. Career advancement is largely seen as a consequence

of individual effort and merit and visibility. In contrast, and wholly consistent with cultural norms, Japanese managers perceive themselves with respect to their group, and they strive to make their group successful.

Analytically, U.S. managers tend to think in a sequential or linear fashion, where Japanese managers tend to think contextually. In this regard, it is much more likely for U.S. managers to focus narrowly upon a given task or goal, with limited concern for impacts to the broader (social) context. Japanese managers explicitly consider the context of tasks and will be more methodical and consistent in assessing potential implications of any given project. These different analytic orientations reflect and reinforce each society's core values.

Finally, there is a vast difference between U.S. and Japanese managers' communication styles. U.S. managers value directness for positive and negative responses. To Japanese managers, the U.S. managers' communication style is rude. Japanese consider it rude to say no, and will use indirect means to convey disagreement or disapproval. To a *Gaijin*, this style is ambiguous and contributes to difficulty in communications and negotiations. Thus, the different communication styles, exacerbated by the negative connotation that each style carries in the other's context, impedes successful interactions.

IV. JAPANESE AND U.S. USAGE OF EMAIL AND WWW

The differences in management style have a noticeable impact on the perceptions about and uses of email and WWW. Table 2, below, provides a summary of the major differences which are discussed in this section.

Table 2: Culturally-induced Impact on the Use and Perception of Internet Technologies – A Comparison

Country	E-mail			WWW Pages		
	Perception	Topics Discussed	Access	Amount of Information Used	Type of Information Used	Full-time Web master assignment
Japan	Impersonal	Limited	Limited	Limited	Primarily text	Rarely
U.S.	Like a phone call. Use of emoticons for personal touch.	Variety of topics	All staff	Variety of information	Graphics, Video, Sound, Text	More common

<u>Email</u> Japanese managers strongly prefer face-to-face communications both among group members and between those who are from different groups, since such meetings emphasize the core Japanese management value: relationship building. The use of email for anything other than simple communications precludes this type of bonding. Moreover, Japan is geographically small and most businesses are located in the major cities – making quite feasible to schedule and host frequent meetings.

Since Japanese consider the impersonality of email to be quite negative, it will not be used if the exchange of information could be important for building a business relationship. Finally, it is common that several employees share a single personal computer, and that computer will be used to support technical work (such as engineering and scientific applications) as well as any administrative work. Thus, even if email were more culturally acceptable, it remains an impractical alternative to timely point-to-point communications. For example, the seven engineers at Toshiba assigned to redesign **Shinkansen**, the bullet train, shared one computer. Their simulation software demanded a powerful computer; which run the simulation for days at a time.

U.S. managers seek out practical alternatives to face-to-face communications, and use email to handle a wide variety of routine communications, such as distributing memos, scheduling meetings, clarifying issues, and even problem-solving. This style reflects a core value of efficient task-completion. Telephones and email are both valued in the U.S. because using these technologies lessens the negative impacts of geographic distances and multiple time zones – neither of which issue is particularly relevant for interactions in Japan. Significantly, in most businesses, managers have easy, convenient, and often private access to computers for communication.

<u>World Wide Web</u> Japanese web pages are quite restrictive with respect to the amount of information available, again a reflection of a management style that emphasizes personal communication. Further in keeping with cultural norms, Japanese are unlikely to do anything that would appear to be calling attention to or boasting about themselves or their companies. Instead, they rely on the company's reputation to speak for itself. WWW pages that are developed are largely textual and descriptive.

Since web sites are still relatively new in Japan, web maintenance is commonly a responsibility added to an existing job title. Further, companies are hiring *Gaijin* with web site development experience in order to create their WWW presence. The goal is to learn from the foreigners and incorporate the skills into those skills of their regular employees. This accommodation of *Gaijin* into strategically important roles suggests that the cultural focus on long-term relationships dominates the value of homogeneity in this context.

U.S. firms, in contrast, have embraced WWW technology, and apply creativity and innovation to their designs. WWW pages seem to be a natural extension of the firms' sales, marketing, and customer service functions. U.S. companies' WWW pages commonly include product information, product and service order pages, job postings,

site locations, etc. Increasingly, WWW pages also include video, sound and animation, since U.S. marketing approaches emphasize getting and holding the customers' attention.

Finally, the manager of the web site in a U.S. company is much more likely to have full-time WWW site responsibility, revealing that U.S. companies have been willing to create new jobs such as HTML specialist or Web Site Manager for this purpose.

V. LEADERSHIP PATH AND HANKO IMPACT JAPANESE EXPLOITATION OF INTERNET TECHNOLOGIES

Analyzing the cultural norms and their impact upon Japanese use of email and WWW technologies leads to two projections as to the future exploitation of Internet technologies in Japan: (1) the Japanese path to leadership currently hinders the adoption of Internet technologies into mainstream Japanese business, but will ultimately guide full, culturally-consistent and innovative use; and (2) Japanese tradition-laden *hanko*, or red seal, currently presents an obstacle for the adoption of email for communication, but will ultimately drive the creation of its culturally-consistent electronic metaphor. Each of these projections is more fully developed in this section.

Leadership Path Talent or leadership potential do not determine which leaders rise through the ranks in Japanese companies. Rather, time with the company is often the single most important factor. Moreover, one is not "promoted" into management in Japan, one is "graduated" into it. The Japanese traditions of life-time employment and hierarchy often result in a corporate structure where the decision makers are far removed from state-of-that-art technologies, and inspiration needed to deploy them profitably.

Japanese implementation of life-time employment [6, 9, 10] incorporates several characteristics that directly affect the flow of new ideas into top ranks of the firm. These characteristics are seniority and grouping. It is very rare for a Japanese person to move from one Japanese corporation to another, since it would be counterproductive to moving within *Nenkoo-joretsu*, the seniority system [10, 11] that guides movement along each company's leadership paths.

An individual's position in a Japanese corporation's hierarchy and his/her place on the pay scales are based largely upon their age and their years of service to that company [11, p.40] and is represented by the groups to which they belong. The path to top requires waiting one's turn, a path that is rooted in Confucian beliefs and modern Japanese philosophy. All new company recruits are hired at the same time, and with their new position

comes membership into *dokikai*, their "same year group" [11, p.107]. Members of the *dokikai* rise in the hierarchy of their company at roughly the same pace, and it is extremely risky to fall out of sync with one's *dokikai* by moving to another company, and has the culturally unacceptable potential for disrupting the order and links among existing members of the hierarchy [5, p. 105]. The strength of *dokikai* is also evidenced by the common practice of its members routinely participating in company-sponsored group vacations.

In a Japanese company newly hired employees are not expected to add any new knowledge, as they begin their rotations through different functions and become indoctrinated into the corporate culture [10]. They have long recognized that broad experiences in a variety of areas, rich in context, is more important for their firms' survival than would be a set of narrowly focused individuals. New recruits are expected simply to listen and learn [11, p. 38], and to obey superiors fully, where obedience is synonymous with total submission [5, p. 103]. In this strict order, it is unwelcome for the new recruits to introduce any new concepts or ideas they may have learned about in the University studies. Therefore, in the initial hiring period, their potential for creativity and innovation are not valued by their firm.

While this process of re-education has the potential to dampen the spirit of innovation and the desire to bring new skills learned from university into the work place, viewed from within the context of Japanese values for order and long term relationships, the process can be better understood as a mechanism to impart a clear sense of context for recruits, and to strengthen each group.

Japan is a world leader in innovative research and development and the adoption of new technologies. The backbone of Japanese innovative lies within *dokikai* processes – interactions within the *dokikai* and with members of other groups. Each group member is expected to add his/her experience and training to every task the team faces, an expectation that is operationalized by taking advantage of one's membership in a variety of groups. Japanese system encourages employees to create many different groups as they progress through the hierarchy. Thus, by the time one has been given a permanent assignment within a company, s/he is a member of *dokikai*, and other groups established from one's rotation schedule, one's organizational unit, and one's larger business unit. There are limitless possible groupings in a Japanese corporation, and, in the most positive and constructive sense, these powerful groupings establish institutional networks of colleagues, wherein individuals can find the information needed for their individual teams.

Group members continue their education with help from the company. They may be sent to conferences, trade shows, and seminars with the sole purpose of returning to train the other team members and stimulate creative thinking within the team, thereby using the group structure to gather and disseminate new information and knowledge. With this strategy, leadership is developed predictably over time and within context, as is corporate knowledge about new technologies.

The hierarchical structure of a Japanese company is characterized by many titles and levels of authority [10; 11], and the power relationships exist both with groups and among them. There are so many titles and levels of authority that it is difficult for both foreigners and Japanese who are not in a particular group to figure out what each title means and who is in charge of that group. This makes the flow of information from one level to the next difficult at best. Nevertheless, within any group, everyone knows which title belongs to whom and the ranking of individuals. This ranking within the group has a significant impact upon group dynamics.

The hierarchical structure, ranking within and among groups, and the force of groups themselves gives rise to organizations and units where older, more senior individuals are the most powerful decision makers. To a large extent, they control the flow of information because they are the legitimate spokesperson for their respective groups, and their subordinates will do nothing to contradict them, even in the slightest. To the extent that they are also unfamiliar with, intimidated by or skeptical about technologies they will not support their staff using them. This phenomenon is partly responsible for the current dearth of email and WWW activity in Japan.

There are two feasible methods for bringing technological awareness to the leadership in Japanese groups: the informal conversations and the process of time passing. Informal conversations are those which occur well outside the confines of the business – typically in bars. In these relaxed settings where drinking is encouraged, subordinates may speak freely with their superiors without concern for being labeled as a poor team member. In these settings ideas concerning the powerful potential of Internet and WWW can be planted decades sooner than they could be advanced in the business setting.

Clearly, however, as younger employees begin to move through the ranks in their groups and companies, they will use their legitimate authority and power to incorporate appropriate technologies into the fabric of their society. Because this process will have occurred over many years, the resulting information infrastructure can be expected

to be powerful, robust, and leading edge in application. At that time, the slow and steady strategy may enable the Japanese to lead the industrial world in the application of email and WWW technologies for strategic advantage.

In contrast to Japanese leadership paths, the U.S., employees are hired for the skills they already posses, although companies also build upon these skills. The Japanese and U.S. paths differ in timing, predictability, and each reflects the core cultural and corporate values of the citizenry. Since U.S. companies hire the entry skills they want, they not only can access these skills immediately, but also, they can lose the skill base whenever employees find higher wages from other companies for their skills. U.S. companies pay a high price for work force flexibility, as managers and workers steadily lose any sense of company loyalty. The methodical loyalty-building strategy enables Japanese companies to more effectively ensure their long-term supply of knowledge, innovation, and effective leadership.

Hanko The potential for Japanese leadership style to bring Japanese business into dominance in electronic communication, is complicated by another major cultural symbol, *hanko*. The *hanko* is a rubber seal that is created with a unique drawing and/or the family last name. Often it is a family seal handed down from generation to generation. Superficially, it is used in much the same manner as individuals in the U.S. use their initials to indicate they have authored or reviewed a document or statement, but *hanko* has a rich cultural significance.

In general, a Japanese person has two *hankos*, one is for personal transactions (such as banking, receiving deliveries, and completing application forms), and the other is for business transactions (such as circulating memos, identifying authorship of documents, and certifying accuracy) [11]. The business *hanko* would be comprised of not only one's family symbol, but also one's current department, a date stamp, and one's full name. In addition, since the *hanko* is often the family name, and there can be several employees with the same last name and *hanko*, the location of the *hanko* on a document is also significant, and helps others to recognize whose *hanko* has been applied.

The most important aspect of the *hanko* is the uniqueness of the seal and the connection to one's family (group). While superficially, the *hanko* merely shows that the transaction had been seen or processed by the individuals whose *hankos* appear, the act of dipping the *hanko* into red ink and applying it to a business document, symbolically connects the individual with the transaction, with the organization, and with his/her family. It is this more profound significance that impedes with widespread adoption of email and WWW page authoring.

Analyzing the merits of using email for communications and routing of memos, there are several practical advantages. However, the nature of the ***hanko*** and its total integration in Japanese culture and business hinders the redesign of memo-writing process in Japanese organizations. Outsiders and *gaijin* can readily see the value of automating the structuring of Japanese business communications: the routing of memos themselves and the logs of the memos. Companies that use email for meeting announcements consider themselves "advanced" and it is these companies that are also pioneering the electronic *hanko*. However, even in these companies there is distrust and misgivings about the entire concept of electronic ***hankos***. While some of the mistrust parallels that in the U.S. when firms attempt to use electronic signatures, in Japan the resistance is more deeply rooted in the cultural symbolism of *hanko*.

At best, email is an interesting new medium for Japanese managers, who are especially interested in electronics. From the perspective of technology diffusion, then, Japan is in the "initiation" stage, characterized by the adoption by a few risk-takers. As these individuals gain experience and find ways to incorporate *hanko* metaphors into the technology, interest and adoption will grow. Termed "proliferation," major U.S. firms entered this stage years ago and many have progressed to a "control" stage with email. The same path can be expected in Japan, although their timing clearly differs. Characteristically, Japanese management will carefully plan for the adoption and when implemented, it will be consistent with cultural and business norms, and their firms will realize tremendous competitive gains.

VI. IMPLICATIONS FOR U.S. MANAGEMENT

It is important for U.S. managers to understand the Japanese style of management and how that style impacts (1) interactions with non-Japanese organizations and businesses, and, more specifically, (2) the adoption of information technology. For U.S. managers to develop meaningful business relationships with Japanese counterparts, they need to fully appreciate Japanese cultural homogeneity with its inherent hierarchy, ranking, and grouping. It is within this context that Japanese managers establish business relationships, engage in business negotiations, and make business decisions. Moreover, the key to any collaborative business relationship with the Japanese is establishing a sense of trust and commitment – a process which takes a long time.

Just as collaboration with Japanese managers requires cultural insights on the part of U.S. managers, so too, does competition with them. While it may be easy to misconstrue the current lack of Japanese fervor over email

and WWW, it would be a strategic error of major significance to believe that they will not soon enter the Internet with tremendous power and skill. U.S. firms who have exploited Internet technologies to their fullest cannot become complacent with their lead.

It is more typical for U.S. managers to invest in a technology and then experiment with ways to exploit it successfully for the firm. In contrast, Japanese managers choose to observe and study a technology before adopting it, in order to determine how best to exploit it successfully for their firm. Both strategies can be successful, even though the approaches and the timing differ. To compete effectively, however, U.S. managers must recognize that while their Japanese counterparts may lag for some years in adopting new technologies, they eventually are highly successful in finding the best long-term fit for the technology in their organization.

In conclusion, Japanese culture and style of management are key reasons explaining why the U.S. is currently out-pacing Japan with respect to the use of email and web page development. However, this same characteristics facilitate the orderly collection and dissemination of innovative technologies. Japan values the use of new, cutting-edge technology, and Japanese companies are in the process of fitting these new concepts and technologies into their time-honored cultural and managerial traditions. Through a delicate balance of maintaining established structures while adapting new technologies; and adapting established structures to enable new technologies, managers in Japanese companies are beginning to close the gap between themselves and the U.S. in the use of Internet technologies. Further research into the cultural differences and cross-cultural issues is needed to shed additional light and to empower U.S. management to compete successfully alongside Japanese management.

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