**Beyond the essentialist paradigm of culture: comparing the role of national culture on management policies and practices in China and Japan**

**Development paper**

**Introduction**

This study focuses on key cross-cultural issues faced by organisations when designing and implementing management policies and practices in China and Japan. The aim of this secondary study is two-fold. The first is to review and compare the Chinese and Japanese national culture values and norms discussed in the management studies, and the second is to examine the role of national culture in managing employees in the context of East Asia. Many studies on the role of national culture tend to compare two cultures with relatively larger differences based on the framework represented by the Hofstede’s cultural dimensions, such as United States with Japan or China. Japan and China have long history of cultural exchange in between them (Vyas 2020), but a few studies systematically compared the role of national culture on management. The position of Asia has emerged as a critical aspect of the global/local context along with the increasing flow of globalization within Asia. Based on the examination of Chinese and Japanese culture and their managerial practices, this study echoes what Chen (2010) called as ‘Asia as method’ and to interpret the role of national culture from East Asian perspective to illustrate the transnational culture in business.

This paper also attempts to address Nathan’s (2010) call of non-essentialist approach on culture studies by acknowledging the importance of exploring and respecting local culture when developing sustainable organisation strategies. Various scholars have criticized the oversimplification of the notion of culture portrayed in essentialist management studies and pointed out the importance of using interpretivist and non-essentialist perspective based on long-term observation and in-depth interview on studying culture (see Nakamaki et al. 2016; Moeran 2021). Moreover, the theoretical framework of structure and agency is also adopted to reinforce the consideration of employees as agents when analysing the influence of national culture on management policies and practices, as employees who implementing and practising the policies and practices can also be significant actors in interpreting and shaping them simultaneously.

**Methodology**

This study is based on a secondary research on the role of national culture on Chinese and Japanese management policies and practices. We have mainly reviewed the publications for Japan after the rapid economic growth when the culture of Japanese company has been put in the spotlight both in academia as well as in practice along with the increasing presence of Japanese products such as cars and electronic appliances in the Western countries. Publications on China were mostly from 1980s after the Chinese economic reform and the management in China has been paid more attention with the rapid growth of economy and the increasing Chinese power in the global economy. We have targeted not only domestic companies in Japan and China, but also multinational Chinese and Japanese companies abroad, which in some cases further illustrate the influence of national culture in developing management policies and practices (Zhu 2020). By comparing these publications, we aim to illustrate the limitations of essentialist approach on culture and to explore more on the possibility of utilising non-essentialist approach to examine the fluidity and dynamics of changing culture.

**Role of Chinese and Japanese cultures on management**

It can be argued that most countries today, as in the case of both China and Japan, are encompassed by heterogeneous groups of people coming from different cultures at different times in their history, making it very difficult to examine Chinese and Japanese culture as a whole entity. However, we also need to face the fact that there were cultural differences which is causing various obstacles on the cross-cultural management (Stoermer et al. 2016). Among many similar notions in between China and Japan, we chose similar notions in the Confucianism, in particular, *harmony, interpersonal relationship, respect for age and hierarchy,* to compare the role of national culture in management and its changes. In addition to this, we also discuss the importance of human as active agent in interpreting and transforming management policies and practices in the workplace. By comparing the literature on the national culture of Japan and China, we aim to demonstrate the importance of utilising the non-essentialist approach on culture studies.

***Confucianism***

Bond et al. (1987) found that the historical root of Chinese culture is the Confucian traditions and argued that Confucianism which emphasises thrift and perseverance, virtues associated with long-term orientation gives origins to China. Confucianism had and still has a tremendous influence on Chinese thinking and behaviour. Moreover, Confucius’ thinking has advanced to the state doctrine and has exerted a powerful influence on the Chinese society for more than 2000 years. The philosophy conceived to restore social order at a time when a strong central authority was missing, Confucianism aimed at the self-government and self-regulation of the people (Chen 2001). This was achieved through its prescription of a hierarchy of fixed moral and social roles that determined all levels of social interaction and behaviour (ibid). According to Tian (2007), the Confucian values encompass moral cultivation, family and interpersonal relationships, respect for age and hierarchy, harmony, and face (dignity or self-esteem). It is argued recently if Confucianism still exert influence over management practices in China, given to its exposure to globalisation and Westernisation in the past few decades (Antherton 2020).

Review on the literature on Japanese culture and management indicates that there were discussions on the influence of Confucianism on modern management in Japan. Many have argued that the neo-Confucianist heritage was institutionalize in Tokugawa Japan (1603-1867) with values such as reciprocal obligation and harmony which influenced the managerial practices (Boardman and Kato 2003; Blind 2012). Rarick (1994) discussed the philosophical impact of Confucianism along with other religious beliefs such as Shintoism and Buddhism on Japanese management practices. Rowley, Benson and Warner (2004) pointed out the influence of Confucianism in East Asian management and proposed to build an Asian model of human resource management. We chose Confucianism as an example to compare the similar notion of cultural norms in China and Japan, but we have no intention to consider this as the only cultural trait when discussing management and culture in the two countries.

***Interpersonal relationship***

Interpersonal relationship indicates that people spend time and make effort to keep in contact with each other in order to establish and maintain a relationship (Tian 2007). China is a linked society, where the relationship is important and plays a significant role in achieving success, using extended personal and business networks to gain advantages and cooperation to get things done (Wang et al. 2008). Based on empirical data, Guthrie (1999) contended that interpersonal relationship practice is diminishing in importance in China’s urban industrial economy as the economic transition progresses. However, in contrast, Yang (2002) contended that interpersonal relationship practices shift increasingly into the business domain where business interests must engage with government officials who control the means to favourable business opportunities, the explicit material monetary calculations and the scale of monetary values transacted transforms guan-xi into the order of corruption. Given the strength of corrupt tendencies in both post-socialist Russia and China today, Yang (2002) doubted that guan-xi culture is being replaced by a new rational-legal regime.

Whereas in Japan, Nakane (1970) argued that the Japanese society has a ‘vertical principle’ --- what constitutes interpersonal relationship is the one-to-one relationship between two individuals of unequal ranks, i.e. manager and subordinate. This vertical principle can be applied to the interpersonal relationship within a family, i.e. manager/father and subordinated/son, which was also considered as vertical in Japan. Related to this idea, industrial familiarism or ‘company as a family’ ideology was largely influenced and shaped the management practices (see Gibney 1998; Fruin 1980; Brinton and Mun 2016; Debroux 2017). Non-essentialist scholars have questioned the existence of the familialism and argued that is in fact “a corporate ideology based on the superficial public relations image that an organization presents to society” (Noguchi 1990:4). In the recent years, the company as family ideology has been faded away, and it became a way to criticize traditional Japanese management system causing low efficiency and long working hours (Gordon 2018) although it is interesting to see how this ideology has been kept and stressed more in overseas Japanese companies (see Zhu 2020).

***Respect for age and hierarchy***

Valuing seniority also implies that the participants did not only respect higher organisational ranks and social status, but also valued and tried to achieve higher ranks at work. Hofstede’s (1980, 2001) and Shenkar and Zeira’s (1990) work that China was a high power distance culture. The Chinese employees, being in a high power distance culture, placed great importance on differences existing due to the position people held in the companies. This view on power distance influenced the Chinese employees’ behaviour and attitudes towards authority, positions, status, and relationships within their organisations and with potential and existing clients’ organisations. The Chinese employees being in a high power distance culture, placed far more importance on those differences, greatly influencing the interactions within the managers and their subordinates.

Seniority-based promotion has been claimed as one of the representative Japanese management systems, which is closely linked to the idea of familiarism where the son/employee must respect and obey the father/manager. Non-essentialist scholars went beyond the essentialist discussion and claimed the rationality behind this system. They connected this to the corporate ideology where the management expects to have more generalists than specialists to allow the flexibility and efficiency in work and assignment (Aoki 1992). Promotional criteria largely depend on the width of knowledge an employee gain through the years of experiences rather than its attribution*, i.e. degree, social status* (Nakane 1970). This was supported by the ambiguous job description and frequent job rotation which has been a common practice among many large-scale Japanese companies (Koike1995). However, a number of Japanese companies started to use ‘fast track promotion’, in particular, in overseas branches to attract non-Japanese talent.

***Harmony***

The Confucian principle of harmony has also greatly influenced the Chinese society, and this expression can be found in almost every aspect of social life in the country, including the attitude towards politics, art, and day-to-day life (Tian 2007). ‘Harmony’, is what Confucian philosophy recommends for obtaining prosperity. Chinese culture places a high value on the preservation of harmony, which is said to be not only at the core of Confucian principles but also at the origin of the world. To attain harmony, individuals are expected to subordinate themselves to the good of the family (and, by extension, of the business) and adhere to the spirit of the ‘middle way’ (Chen 2001). At this point in time, the ideology of a ‘harmonious society’, which the current Chinese government claims is in development, is based on the Confucian values. In addition, it has to be clear that, although Confucianism stresses the importance of harmony, the culture of hierarchy or the high power distance still exists in the Chinese context (Wang et al. 2008).

Harmony has been frequently discussed in the studies of Japanese management as one of the most representative notion of culture in Japanese business culture. There were studies on harmony in terms of how it contributed to the Japanese way of communication (Rohlen 1979) and how the shared sense of harmony contributes to build the ‘imagined community’ (Matsunaga 2000). Scholars based on the non-essentialist perspective discussed that harmony is also part of the corporate ideology that the management uses as a tool for institutional control (Wong 2013). Along with the increasing Japanese company going overseas and more international labour flows into Japan, there was also discussion on the continuity and the changes of the meaning and the role of harmony in management (Nakano 2017).

***Human factor***

The importance of the ‘human factor’ - the main continuous principle of Chinese administration has been described as ‘government by man’, in contrast to the Roman idea of ‘government by law’ (Hofstede 2001). Chinese judges were supposed to be guided by broad general principles, such as those formulated by Confucius around 500 B.C. As Bond et al. (1987: 121) noted, ‘in the Chinese cultures, rule is by the rulers, in ‘Western’ cultures, rule is by the rules’. Thus, ‘government by man’ can be termed as the importance of the ‘human factor’. The ‘human factor’ refers to the fact that some people prefer not to follow regulated rules and disciplines, rather, they would change or adapt the rules and disciplines according to different situations.

In Japan, ‘human factor’ has been largely discussed in the situation where there were more than one person involving in the practice, such as the process of disseminating corporate philosophy, in particular, translating philosophy to practice (Wang 2015). Corporate philosophy such as mission statements and values have been proven to have a prominent impact on management, but it has not been well articulated and embedded (Yeung 1998). Translating the corporate philosophy to the written policies and the manuals is based on the translator’s understanding on the philosophy, which could be consistent with others or could be different from the rest of the company. Even the written policies and the manuals were based on the shared understanding on the corporate philosophy, the recipient or the employees could interpret it differently, which result in a workplace that is different from what the management expected (Zhu 2019). Therefore, to consider the ‘human factor’ is significant in exploring further the role of culture in management.

**Discussion and Conclusion**

It is indicated that both Japanese and Chinese cultural values have a major impact on employees’ behaviour and views towards management policies and practices, and these behaviour and views could not be easily eradicated by ‘standardised’ or ‘Westernised’ management approaches and principles. Furthermore, it can be argued that those national cultural values do not sound totally alien, and do not only exist in Japan, China but also exist in other countries all over the world, even in some Western countries, as there are some common and shared underlining values. However, the key difference between the Chinese and Japanese cultural values and others might be the people-regulated or system-regulated organisational code, in other words, the importance of the ‘human factor’, that is, the agency of individuals.

A review on the role of Japanese and Chinese culture on management policies and practices shows the limitation of essentialist scholars who used the functionalist approach on culture. The simplification of culture based on functional and essentialist perspective and the lack of interpretive and non-essentialist analysis on the core of its management culture will result in confusing the corporate ideology (*what the company say they do*) with the reality (*what they actually do*). Interpretivist approach on culture allows us to examine the core issue in an organization. Using in-depth analysis on a smaller sample could help solve this issue since the researcher will be needing to clarify what was the ideology a company aiming to disseminate and the reality. Only through an analysis of the continuity, change, and context of a company, we can better understand the culture behind the mask. Thus, the authors contend that the development of national cultural values and norms and their impact of management policies and practices in Japan and China, needs to be investigated in a dynamic context through a long-term view.

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