

Comparative Analysis of Management Systems: Korea, Japan, and the United States*

*Chan-Sup Chang***

«CONTENTS»

- I. Introduction
- II. Unique Aspects of Management Systems
- III. Causes of the Aspects
- IV. Conclusion

I. Introduction

The Japanese management system has attracted the attention of management scholars in both Western and non-Western nations. They understand that it is one of the most important causes of the phenomenal growth of the Japanese economy since the fifties.

Many studies have been done on the Japanese management system. They have mainly focused their attention on the distinction between the Japanese system and other management systems. Everyone seems to agree that the Japanese management system with its unique aspects is as effective as, if not more effective than, the American system.

Korea has emerged as a new Japan.¹⁾ Its economic growth since the sixties has been highly impressive. One of the reasons for this astonishing achievement has been the Korean management system. This writer stresses the importance of studying this system so that we can understand the nature and

* This is an abstract of the paper presented at the spring-symposium of 1983 by the title of Korean-American Business Scholars Symposium.

** Ph.D., Professor of Management, Lander College

(1) "4 'New Japans' Mounting Industrial Challenge" *The New York Times* August 24, 1982, p. 1. "Asia's Economic Gang of Four," by Michael McAbee, *Industry Week*, February 5, 1979, pp. 44-49.

distinctiveness of the system. The study of the Korean management system is important in that both Japan and Korea have shared the similar cultural heritage for so many years. As a result, they have come to share some common characteristics in their management systems.

The purpose of this paper is to compare the three management systems of Japan, Korea, and the United States so that their main contents and unique distinctiveness can be identified. There are many ways to compare these management systems. One possible approach is to identify unique aspects of each management system and then to investigate their causes.

II. Unique Aspects of Management Systems

In this section, our attention will be focused in identifying aspects which are unique in each of the three management systems. In the next section, the causes of them will be investigated.

The unique aspects of each of the three management systems can be summarized as following:

	Japan	Korea	U.S.A.
Decision-making	Consensus ("ringi" system)	Consensus ("ringi" system)	By individual or majority vote
Duration of employment	Lifetime employment	Lifetime employment, but employees may give up it voluntarily	No guaranteed employment
Individualism vs. group spirit	Team spirit is very important	Individualism is as strong as team spirit	Individualism is persistent
Loyalty	Very strong	Strong	Not strong
Mobility	Immobility	Flexible mobility	Free mobility
Management development	Inside promotion	Both inside promotion and outside selection	Both inside promotion and outside selection
Leadership style	Rigid authoritarian and paternalistic	Flexible authoritarian and paternalistic	Mostly participative
Compensation	Based on seniority	Based on seniority and merit rating	Mostly based on merit rating system
Government and business	Close relation and cooperation	Close relation and cooperation	No direct relation
Work ethic	Confucian work ethic	Confucian work ethic	Protestant work ethic
Mottoes emphasized in organizations	"wa" (human harmony)	"inwha dangyul" (human harmony and solidarity)	Profit

The Japanese Management System

Both American and Japanese management authorities seem to agree that the Japanese management system has the following characteristics:

- (1) Consensus decision-making
- (2) Lifetime employment
- (3) Group consciousness and team spirit
- (4) High loyalty
- (5) Paternalistic leadership
- (6) Personal approach
- (7) Close cooperation between government and business
- (8) Confucian work ethic
- (9) "Wa" (human harmony as the motto)

In Japan, a decision is not made until a consensus is reached among the persons involved. Individual decision-making is out of the question in the Japanese management system. Decision by consensus is called "ringi" system in Japan.²⁾ A plan of project is prepared usually by a staff member in the lower hierarchy of organization, either through his own initiative or the suggestion by his superior. The prepared plan is then circulated among the line of chain of command. Whoever reviews the document expresses his own views and the original document is changed accordingly until a consensus is almost reached by the time it is discussed at the top management level. If everyone involved agrees with the plan, the president puts his seal of approval making it a legitimate document. Such is the process of a decision-making in Japan.

Lifetime employment³⁾ is another characteristic of the Japanese management system. Once anyone, fresh from his school, is employed by a company, he is guaranteed lifetime employment until he retires at the age of 55. As a result,

(2) Yoshino, M.Y., *Japan's Managerial System* (Cambridge, Mass.; The MIT Press, 1971). pp. 254-262.

(3) Furstenburg, Friedrich, *Why the Japanese Have Been So Successful*, Trans. by George Copeman (New York: Hippocrene Books, 1974), p.5.

there develops some interesting concepts:

(a) Seniority System

The seniority system is strictly applied and the longer you stay with a company, you will reap the benefits of seniority.

(b) Promotion

As a rule, promotion is based on seniority system, and it is a very rare case when any subordinate competes with his superior for a higher position.

(c) Compensation

Compensation is based on seniority system and not merit rating system. The longer you stay with a company, the more compensation you receive.

(d) Immobility

As an employee stays at a company for his lifetime, there is virtually no inter-company mobility for managers at various levels in Japan. Vacancies are filled from within the organization. Recruiting promising employees is an important management process.

In the Japanese management system, team spirit or group consciousness is more important than individualism. Individual aspiration must be subjugated to team spirit in order to maintain group harmony. "Wa" or harmony among employees can never be emphasized too much in Japan. Individual aspiration can only be achieved when it does not interfere with team spirit.

Loyalty of subordinates to their superiors is very high in the Japanese management system in that an employee must show total loyalty to his superiors and his company. In return, his company and his superiors never fail to look after him and his needs in times of emergency.

Leadership style in Japan is based upon a very strict paternalistic and authoritarian pattern.⁴⁾ Both employers and employees believe that a company is an extension of the family and has a significant meaning in Japanese society. The relationship between a superior and his subordinates is that of father to his son. A superior thus treats his subordinates as he would his sons and he,

(4) Drucker, Peter F., *Management* (New York: Harper & Row Publishers, 1974), p. 254.

in turn, is treated as a father by his subordinates.⁵⁾ The rigid management system with strict paternalistic leadership emphasizes a personal approach to motivate employees. Employees are encouraged to participate actively in all company affairs. An employee is free to talk to his superiors and his company tries to operate within an open atmosphere.

The relationship between government and business in Japan is exceptionally cooperative.⁶⁾ While it does not mean that government controls business, it does mean that business receives every support from the government in the managing and the expansion of its business. The government also protects business from outside competition through a protectionist policy. This close relation is generally known as "Japan, Inc."

The Japanese live under the influence of the Confucian heritage in which hard working and studying have a great virtue. The Japanese understand that they must work hard simply because it is their custom and an important norm in their society. It is the only way to guarantee their career success.

The Japanese emphasize "wa," or human harmony in their management. They believe that their management goals can be achieved only through bringing human harmony. Surprisingly, they do not officially mention profit as their prime motto.

The Korean Management System

Both Japan and Korea share much in common. Both countries have been under the influence of Chinese culture, and Chinese philosophy has become the basis for their perception of the world. The two countries also use Chinese characters extensively along with their own. In addition, the Japanese management system had been practiced in Korea for almost forty years until the end of World War II during which time Korea was under Japanese control. Logi-

(5) Kraar, Louis, "The Japanese Are Coming—With Their Own Style of Management," *Fortune*, March, 1973, p. 116.

(6) Kaplan, Eugene J., *Japan; The Government-Business Relationship* (Washington, D.C.: U.S. Government Printing Office, 1972), p. 9.

cally many ingredients of the Japanese management system have been transmitted to the Korean management system.

Nevertheless, the South Korean management system, while it is similar in many aspects, does differ in others. Its characteristics are:

- (1) Consensus decision-making
- (2) Lifetime employment
- (3) Individualism
- (4) Loyalty
- (5) Mobility
- (6) Significance of promotion
- (7) Paternalistic leadership
- (8) Close relation between government and business
- (9) Confucian work ethic
- (10) "Inwha dangyul" (human harmony and solidarity)

Consensus decision-making process is applied in Korea as in Japan. The Korean call it "pumi" system which is expressed same Chinese characters as "ringi" in Japan.⁷ "Ringi" system was originated and used by the Chinese, but the Japanese expanded the concept to the Japanese management system successfully.

Lifetime employment is also a traditional concept in the Korean management system. Once an employee is hired by a company, he is guaranteed lifetime employment until he retires at the age of 55. An employer will seldom lay off subordinates even in times of recession.

Individualism is a rather unique aspect in the Korean management system. Individual aspiration is as important here as are company goals. In Korea, group harmony or consciousness is very important and "hwa" ("wa" in Japanese) or group harmony is one of the most popular mottos for many companies. Nevertheless, it is not permitted to stifle individual aspiration. One of the most

(7) Daniels, John D., Ogram, Ernest W., Jr., and Radebaugh, Lee H., *International Business: Environments and Operations* (Reading, Mass.: Addison-Wesley Publishing Company, 1976), pp. 328-336.

important roles of superiors in Korea is to promote individual aspiration in order to achieve the goals of the company.

The degree of loyalty to the company is not so high in the Korean management system. Since a Korean employee puts high priority on individualism, he usually swings back and forth between company goals and his own aspirations.

Although an employee is guaranteed lifetime employment, he is not reluctant to give up this privilege if he sees little opportunity to develop his own aspirations and if other companies promise to provide better opportunities for him. If such is the case, he just quits the company and joins the more attractive one. As a result, the concept of lifetime employment has limitation in its application in Korea in that it is broken voluntarily by talented employees. Very few employees think that they will remain with one company for a lifetime.

Promotion is very important in South Korea in the sense that it becomes a crucial criterion by which one can measure the success or failure of a person. Since individualism is as strongly persistent as is group consciousness, promotion may be interpreted as a matter of life and death in many cases. Once an employee recognizes that there is almost no chance of promotion for him in the organization, he begins to look to other companies in which he can see opportunities for promotion and self-fulfillment.

Leadership style in the Korean management system is authoritarian and paternalistic. A company is interpreted as an extension of the family and relationships in the company are similar to that of a family. However, there is no father-son type of relationship between a superior and his subordinates in Korea as there still is in Japan. A superior is a superior but he does not think himself as the father of his subordinates and subordinates in turn reject any consideration of themselves as sons of their superiors.

The relationship between South Korean government and business is very close and cooperative. Generally speaking, the government guides and regulates business in many aspects, but the government does not manage and control business.

The American Management System

Many American management scholars and practitioners have generally agreed that the American management system has its own unique characteristics in the following aspects:

- (1) Rationality
- (2) Individualism
- (3) Impersonality
- (4) Money
- (5) Mobility
- (6) Protestant work ethic
- (7) Profit as the motto

The American management system is based on rationality which emphasizes the concept of efficiency. Many American managers believe that effective performance can be accomplished through efficiency or rationality.

The system is also based on individualism. Even though a conflict between individual goals and organizational goals and loyalty has been increasing in intensity,⁸⁾ Individualism is still dominant in the American management system. Many American employees tend to believe that they can contribute to their organizations through their individual achievements. The aspiration for achieving their individual goals comes first to the American employees.

Impersonality is another characteristic of the American management system. The concept of impersonality can be understood in relation to that of rationality.

Even if one admits that money is not the prime motivator for both managers and workers, it is still one of the most important elements in the American management system. The prestige and social standing of an employee is likely to be measured by the amount of his income. He works for money and he likes to get more. The American management system has been successful in utilizing this material incentive to promote effective performances.

(8) "Loyalty Sometimes Obscures Ethics in Business," *The Index-Journal*, August 6, 1975, p. 25.

Mobility is another characteristic of the American management system. A manager can move to any place if he wants to and is usually ready to move to a place where he may expect to receive more money and to accomplish his self-fulfillment.

The work ethic of the Americans is based on the protestant work ethic in which they place hard work as the highest virtue and understand it to be consistent with the Christian doctrines. They believe that their accomplishments are the result of their hard works.

III. Causes of the Aspects

Understanding of Management Systems

Each management system is unique in that no two systems can be exactly alike. This uniqueness arises from different cultural identities. Each nation has maintained its unique cultural heritage. These cultural differences have created unique management systems in each of the three nations. In other words, any management system is the function of cultural identity:

$$\text{Management system} = f(\text{cultural identity})$$

Cultural identity means a unique cultural heritage of people within a nation. A unique cultural heritage can be identified by several variables such as language, religion, territorial location, social and political system, cuisine, clothings, and shelter.

It seems that religion, territorial separation, and political system are more important components which contribute to cultural identity as far as the management system is concerned.

People develop value systems through religious practice because they teach us what is right from what is wrong, and what is important from what is marginal. Both the Japanese and the Koreans have developed their respective value systems through Buddhism and Confucianism. In addition to this, Shintoism has influenced the Japanese. Through Buddhism, people have learned

their proper roles in this world in terms of Buddha, the absolute. Through Confucianism they have learned proper norms of behaviors. Unlike other religions, Confucianism does not depict Heaven or other postmortem reward; instead, it emphasizes maintaining and developing a healthy society in this world.

The Americans on the contrary, have been influenced exclusively by Christianity for their behavioral pattern. The religion has taught them moral norms and their understanding of the Universe. In other words, Christianity has been the only source of their value systems.

Every management system is regulated by the values which have been developed and identified by the religions of the people. Religions, therefore have great implications for our understanding of management systems of different countries.

Territorial separation or location also has an impact on management systems in that people develop different behavioral patterns based on the different environmental conditions. Even though two nations share the values of the same religions, people of each nation will develop different behavioral patterns.

Americans and Englishmen have developed different behavioral patterns because they have been residing in different geographical territories. Different behavioral patterns between the Japanese and the Koreans can be explained partially by this territorial separation, although both people share the common heritage of Buddhism and Confucianism.

The value system developed by the influence of religions has been modified accordingly by the impact of territorial separation. People in each nation, thus, preserve their unique value systems and subsequently developed different management systems.

Cultural Identities of the Three Nations

As was discussed previously, each management system is formulated by the value system which regulates behaviors of the people. And this value system is

influenced by many factors in a society. Among them the impact of religion and territorial separation are outstanding even though others are also important. These different value systems created from unique cultural heritages have resulted in cultural identities of nations. Japan, South Korea, and the United States have their own cultural identities which can be summarized as follows:

Cultural Identities of the Three Nations

Cultural Identity	Japan	South Korea	U.S.A
Conception on blood	Blood-prone society	Blood-taboo society	Blood-prone society
Blood-relationship of family	Critically important	Absolutely important	Not critically important
Conception on mythology	Mythtic nation	Mythless nation	Mythtic nation
Conception on national security in terms territorial location	Sense of security	Sense of extreme insecurity	Sense of extreme security
Conception on FARMS: Family	Filial piety is very important	Filial piety is absolutely important	Filial piety is not critically important
Alumni and education	Education is absolutely important, and schools attended are critically important	Both education and schools attended are absolutely important	Education is critically important, but schools attended are not critically important
Regionalism	Important	Critically important	Not critically important
Mercy (well-being) Reciprocal consideration on well-being between superiors and subordinates	Absolutely important, and loyalty to superiors is also very important	Very important, and loyalty to superiors is also very important	Not important, and loyalty to superiors is not important
State or country	One's activities are always linked to national interests	One's activities are always linked to national interests	One's activities are seldom linked to national interests

There is a striking difference among these three nations toward their conception of blood. Korea is a blood-taboo society and both Japan and the United States are blood-prone societies. Traditionally, Koreans have developed a value system of prohibiting bloodshed. Killing and being killed except in extreme cases have become a taboo to them. In most cases, Koreans had secured their lives by avoiding such violence. By contrast, the lives of the Japanese have been at stake at any moment by swords, and the so-called "harakiri," a type of suicide by using sword, had been practiced. The Japanese society had encouraged bloodshed, while Koreans had totally shunned it.

The Japanese placed the warriors as the highest class, while the Koreans respected most highly the men of the literature. The lower classes, the class of farmers, the class of manufacturers, and the class of merchants, all rank similarly in both countries.

Why did the Koreans develop a blood-taboo society? Even though the answer to this question is not so simple, we may attribute this phenomenon to Korea's proximity to China, the big power for so many years. The Koreans understood the futility of combatting the Chinese so they abandoned the sword in order to survive next to China.

Political system is another factor. The Koreans had developed a centralized government structure in which the king was responsible for direct administration. One needs swords only when he rebels against the kingdom or protect the king from such rebellions.

The Japanese, on the other hand, had maintained feudalism in which feudal lords must maintain their territories by fighting with other lords. The swords, then, became necessity.

The Americans have developed a blood-prone society. While they were moving westward, they carried guns in order to protect their frontiers from potential enemies. Even today many Americans keep guns. Their lives are also at stake because they anticipate shooting at any time if some unusual events happen to them. There is, however, a clear difference between Japan and the United States in that Americans never developed a feudal society.

Behavioral patterns of the blood-taboo society and the blood-prone society are different. If anyone knows that he is out of danger of being killed, then he can express himself in extreme manners without this fear. Koreans have demonstrated ultra-behavioral pattern. It is not unusual that disarrays, protests, and quarrels are found occasionally in the Korean communities. The behavioral patterns of the Japanese and the Americans are, on the contrary, quite different from that of the Koreans. Usually, they show their orderly behaviors and these behaviors are self-restraint. Otherwise, they know that they may be killed.

The blood concept can be linked to the family system of these countries. The Korean family system is very unique in that blood-relation in the family is absolutely important. Traditionally, it does not accept the concept of adopted sons. One must have his own son(s) since it is his supreme responsibility to his living parents and ancestors. However, the Japanese have developed more permissive family system in the sense that the concept of adopted sons has prevailed throughout their history.⁹⁾ The Americans have demonstrated their most generous attitude toward adopted sons.

The family system in Korea has such an importance that the Koreans perceive their society purely in terms of family because families have been the only means of protection when the country had been invaded. The family systems in both Japan and the United States are the foundation of these countries, but they have never developed such an inviolable concept toward their family systems.

Behavioral patterns from this blood-relation show differences among these three nations. To the Koreans, filial piety is the mostly respected value. However, the Japanese preserve loyalty to their superiors as the most important value. Neither of filial piety nor loyalty are critically important to the Americans.

Conception toward territorial separation or location has a significant meaning in identifying unique behavioral patterns of the three nations. The territorial location of Korea deserves our special attention. Korea is adjoined by China and surrounded by Japan. This strategic location has resulted in constant invasions from China, Mongolia, and Japan. It was impossible to counter-attack these mighty neighbors. Survival as a nation has been constantly at stake, and Korea's utmost concern has been to preserve its independence. In other words, Koreans have lived under an extremely insecure and adverse environment for so many years.

This has not been the case for Japan, the insular country. Traditionally, it

(9) Herschmeier J. Y. Yui T., *The Development of Japanese Business*, Second Edition, (London: George Allen & Unwin, 1981), p. 38, p. 49, p. 64, p. 368.

has been a safe place from foreign invasions. The only exception was the invasion of Mongolia in 1281, but "kamikaze," the so-called divine wind chased them away.¹⁰⁾ As a result, the Japanese have rarely been exposed to such an extreme situation. The Americans have never developed a sense of insecurity from outside invasions. The United States has been considered the most secured country on earth.

This sense of security and insecurity has developed different behavioral patterns among these three nations. Out of their sense of extreme insecurity, the Koreans have developed a behavioral pattern of regulated individualism and ultra-behavior. Nobody except himself and his family is responsible for his safety and survival per se. He must protect himself by his own effort. The government never provided such protection to him. For the survival as a nation, the Koreans must be stubborn because negotiations and compromises mean the collapse of their nation. Ultra-behavioral pattern is needed to survive. It is not accidental that South Korea is an ultra anti-Communist country, and North Korea remains as an extremely rigid Communist nation.

Since both the Japanese and the Americans have seldomly experienced such national insecurity and crises, their behavioral patterns are more moderate and prudent. They have developed their tolerance levels to different viewpoints to great extent. American individualism and a relatively rigid perception toward Communism originated from Christianity, not from security threats.

Some nations have created mythology, while others hardly dwelled on it at all. It seems that people with mythical background are abundant with imaginations and they have a tendency to apply them to challenge the demand of reality. In other words, they seem to be more imaginative, creative, and innovative. People with a little of myths on the other hand, may have developed a dry society in which only a very few imaginations and innovations can be identified.

(10) Takagi, Taku and Fukuda, Kiyoda, *Nihonno Rekishi (History of Japan)*, (Tokyo: Yomiuri Shinbun, 1971), p. 109.

There is a distinctive difference among these three nations in this regard. Both Japan and the United States were blessed with rich mythical backgrounds. The Japanese attributed the emperor system to the myth of "amaterasu o mi kami," (divinely originated kingdom) and have developed Shintoism to sublimate the myth into a religion. This myth still appeals to the minds of the most contemporary Japanese and it has a significant impact upon their behaviors. The Americans have inherited their mythology from the Greeks and Christianity, and they have preserved them with pride. The contemporary Americans are still being affected by these myths in their everyday behaviors.

The Koreans have also preserved some myths, such as the "Tangun" myth which said that "Tangun", the founder of Korea was born in a bear.¹¹⁾ However, they have never appealed vividly to the minds of the Koreans. They seem to remain as extinct volcano-type myths. In other words, the Koreans have lived in a mythless society. Their myths have, therefore, never had any impact on the behaviors of the Koreans. This trend might have been inherited from Confucianism which is a religion with little myths. The Koreans have never developed a Shintoism-like religion, which incorporates myths or has tales of Buddhism appealed to them to a great extent.

Although imagination, creativity, and innovation may link to the tradition of myths, it may be a hasty and unfounded conclusion that the Koreans are less imaginative, creative, and innovative than Japanese and Americans. It is also an inconclusive assumption that the Japanese are as creative and innovative as the Americans.

Conception to FARMS is a composite cultural identity in that it includes many of the cultural heritage of a nation. FARMS is the acronym for family, alumni, regionalism, mercy, and state. Family reveals the family system and its relative importance in a society. Alumni means the attitude toward education in general and the relative importance of schools one attended. Regionalism

(11) Han, Woo-Keun (Translated by Lee, Kyung-Shik), *The History of Korea* (Seoul: The Eul-Yoo Publishing Company, 1976), p.12.

investigates the relative importance of geographical sectionalism in a society. By mercy it is meant here the informal and moral obligation of superiors to the well-being of their subordinates and the reciprocal respond by them to their superiors. The literal meaning of mercy is one of the most important highlights in the teachings of Buddhism. Both the Japanese and the Koreans have understood it as a warm and merciful mind to other people and extended it even to all the non-human beings. By state it is meant the perception of the people toward their country as a citizen.

The concept of family is very important to the three nations in that it is one of the founding pillars for each society. However, the nuance of the importance is somewhat different among these nations. It seems that the Koreans have placed the most affectionate attachment to the family system among the three nations. To them, it is everything, and filial piety has the highest priority in the society. The effort of the Koreans to maintain blood-related purity in their families must be understood from this context. The filial piety is above all things to them.

The family concept is very important in Japan as in other societies. But the filial piety is not the highest priority. Rather, they place loyalty to their superiors to the highest order. The Americans share the importance of family system. They respect their parents and obey their advice. But they have never placed filial piety to the top order in their priority.

Education is important in these three nations. It is understood as a driving force for economic growth and a high standard of living. Confucianism has emphasized the importance of education and learning. The learned have been respected in both Japan and Korea. Learning has had a specific importance in Korea because it has been the only way to lead a successful career for many Koreans. A successful career was government civil service. One must pass the civil service examination to secure the job, and he must study hard to pass the test. Education has been understood as a guarantee for a successful life. This tradition of high priority of education prevails in Korea even today.

The Japanese have developed a similar attitude toward education. Although "samurai" or the warrior was the top social class, he was strongly encouraged to learn. In other words, they were really warriors plus men of literature. Even before the Meiji Restoration, there were many terakoya or schools which taught basic learning skills to young children. Almost 800 terakoya¹²⁾ existed in the Edo area in 1722.

The Americans were not exception. Their settlement in the new continent started with churches and schools. Education was widely spread throughout the nation. Without the help of education, the Americans could not have accomplished such an impressive achievement.

In these three nations, schools one attended have a great implication. Once anyone graduated from one of the most prestigious universities, not only was his job security guaranteed, but also his successful career was almost assured. In Japan, one must graduate from Tokyo University and a few other prestigious institutions. In South Korea, one must graduate from Seoul National University and other top ranking universities. In the United States, graduation from one of the Ivy League schools and other outstanding institutions will provide him a tremendous advantage over others. However, this trend is not so widely spread in the United States as in the cases of Japan and South Korea. Even though the influence of the Eastern Establishment is powerful, the graduates from other schools have been given similar opportunities. In Japan and South Korea, this restrictiveness has been alleviated to some extent these days. Still one must graduate from one of the top ranking institutions to assure a bright future.

Regionalism or geographical sectionalism is a cultural heritage to these three nations. Each region of a country has developed unique perception, subculture, dialects, and characteristics. In Korea, it is true that regionalism has been developed generally along the borderline of "do," or state. As both the former

(12) Takagi and Fukuda, *History of Japan*, p. 227.

and present Presidents are from the same region of "Kyungsang-do," it is an accepted fact that they recruited many of their lieutenants and staffs from their own region. If one was from this region, he would have a good chance to be chosen among equally qualified candidates from other regions.

This trend is strong in the United States where many of unique characteristics of regionalism have been developed. The American politics show the strong flavor of this regionalism. However, most Americans are treated rather equally regardless of their region, except in politics where preferential treatment is given to residents of the states.

As in Korea, regionalism has prevailed strongly in Japan where it becomes either ample opportunity or a great stumbling-block. Still it has much stronger flavor than that of the United States.

Mercy deals with the binding relationship between superiors and their subordinates in Japan and Korea. It is not a formal or legal relationship between them. Rather, it is an informal and morally binding relationship. Traditionally, oriental countries in which Buddhism has held influence one way or another have developed a strong feeling of mercy toward other human beings and even non-human living beings. This feeling has resulted in informal and morally binding relationships between superiors and their subordinates.

In Japan, this relationship is expressed in terms of "on" which means a grace, mercy, or well-being implemented by superiors to their subordinates, and "ho-on", reciprocal respond, or informal requital of such "on" by subordinates to their superiors. The Japanese seem to commit themselves totally to this informal reciprocal relationship.

The Koreans also have kept this kind of tradition graciously. It has been moral obligation of superiors to take care of the well-being of their subordinates. Reciprocally, it has been moral responsibility of subordinates to requite to their superiors for such grace bestowed upon them. However, it is not certain whether the commitment of the Koreans to this relationship is as strong as in Japan. It seems that they have never developed the sense of total co-

mmmitment to it because of their demand for regulated individualism.

The Americans with their Western cultural background have never developed this informal and morally binding reciprocal relationship. They have developed formal, legally-binding, and contractual relationship, instead. And this informal relationship must conflict with their long cherished heritage of individualism. Each person is eager to maintain his independence which is the key element for individualism without committing himself to such informal obligations.

Perception on the relationship between individual life and national interests is another cultural heritage among these three nations. There seems to be different understanding of this relationship among Japan, Korea, and the United States. Both the Japanese and the Koreans have a tendency to link their personal activities with national interests. They have a strong feeling toward the well-being of their countries. They have inherited this tradition from the teachings of Confucianism in which loyalty to the king and the nation is the highest virtue. The Japanese have demonstrated this loyalty throughout their history. The Koreans also have preserved this invaluable virtue. Many Koreans died a martyr for their country whenever they encountered invasions by adversaries. They have sacrificed their own lives and their families to save their country. This phenomenon seems to be paradoxical with the highest virtue of filial piety. It is not paradoxical at all in that many Koreans have dedicated to both supreme goals all the times.

The Americans love their country, too. A strong sense of patriotism has prevailed throughout the history of the nation. Their loyalty to the country is as strong as their oriental counterparts. However, they have never developed a concept in which all of their activities must link to the national interests. They have promoted their own personal interests. Of course, they understand tacitly that their own interests will be consistent with national interests eventually.

Implications to Management Systems

As was discussed previously, the three nations have developed unique cultural identity or heritage. These unique identities of the three countries have implications to the management system which result in the different management systems as follows:

Management Implications of Cultural Identity

	Japan	South Korea	U.S.A.
Blood on behaviors	Prudent, restraint, and orderly behavior	Occasional disorder, disarray. Polarized behavior can be detected. This polarized behavior may induce regulated individualism and aggressiveness.	Prudent, restraint, and orderly behavior
Mythic tradition	Flexibility, creativity, and innovation	Less flexibility, and conceptually less creative and innovative	Flexibility, creativity, and innovation
Territorial location	Sence of security and long-range goal oriented	Sense of extreme insecurity, and short-range goal oriented	Sense of extreme security, and long-range goal oriented
Family and blood-relation	Family member involvement to business is important	Family member involvement to business is absolutely important	Family member involvement to business is not significant
Alumni and education	Zeal for education is extremely high. Confucian work ethic. Graduation from prestigious schools is critically important for career success	Zeal for education is extremely high. Confucian ethic. Graduation from prestigious schools is critically important for career success	Zeal for education is high. Graduation from prestigious schools will help career success.
Regionalism	Geographical sectionalism is not a critical factor for career success	Geographical sectionalism is critically important for career success	Geographical sectionalism is not significant for career success
Mercy (Reciprocal consideration of well-being between superiors and subordinates)	Reciprocal consideration is absolutely important. Absolute loyalty to superiors and paternalism	Reciprocal consideration is critically important. Strong loyalty to superiors and paternalism	Reciprocal consideration is insignificant. Neither loyalty nor paternalism. Absolute individualism
State or county	Concern for national interests precede profits in many cases	Concern for national interests precede profits in many cases	Separation between profit and national interests

Even though Japan and Korea have shared common heritage of the Chinese culture in terms of Buddhism, Confucianism, Chinese characters and literature, these two nations also have developed different cultural identities. As a result each country has developed its own unique management system which has many similarities with and differences from each other. Between Japan and the

United States and between South Korea and the United States, there are similarities and differences in management implications of cultural identity.

There are striking differences between Japan and the United States in terms of loyalty to superiors and perception toward group and individualism. In Japan, loyalty to superiors is absolutely important and the Japanese people perceive the world through groups. In the United States, on the other hand, individualism is absolutely important and the sense of loyalty to their superiors has no meaning at all to the Americans.

Between South Korea and the United States there are also differences. Since blood-relation has an absolute significance to the Koreans, filial piety and family-member oriented businesses have a great significance. In the United States, no such emphasis has been placed on family-member oriented businesses.

The degree of similarities and differences of the managerial implications of cultural identity is shown as follows:

Ranking of Significance of Managerial Implications

	Japan	South Korea	U.S.A.
Absolutely important	Loyalty of superiors. Group behavior. "wa" (human harmony). Reciprocal consideration between superiors and subordinates.	Blood-relation. Filial piety. Family member involvement to business.	Individualism. Profits.
Critically important	Schools one attended. Linkage of business to national interests. Education.	Schools one attended. "wha" (human harmony). Linkage of business to national interests. Education. Reciprocal consideration between superiors and subordinates. Regionalism.	Education.
Important	Regionalism.	Individualism.	Schools one attended.
Insignificant	Individualism.		Loyalty. Linkage of business to national interests. Reciprocal consideration between superiors and subordinates.

The management systems between Japan and the United States reveal the most striking differences. The South Korean management system shows some common characteristics with both Japan and the United States. The Koreans

share loyalty to superiors and group behaviors with the Japanese, but they also share individualistic attitudes in management with the Americans.

IV. Conclusion

There are many ways to understand management systems. One of the approaches is to identify aspects of management systems and their causes. It is the understanding of this writer that cultural identity or heritage is the causes of these aspects. Every nation has its own cultural identity through different historical experiences.

Through this approach, similarities and differences of the management systems of the three nations have been identified. Both management systems of Japan and the United States have been proved very effective. And recently, the South Korean management system has become attractive because of its impressive economic growth. It is also an effective management system. This study has shown that different management systems can attain their effectiveness through different methods.

This writer acknowledges, of course, that there are many management concepts which cannot be explained solely by the dimension of cultural heritage. He believes, however, that this approach will help our understanding of management systems.

<國文要約>

I. 序

지금까지 日本의 經營시스템에 대해서는 日本과 美國 兩國의 많은 學者들에 의해서 광범위한 研究가 있어 왔으나, 이는 日本의 經營시스템이 효과적이라는 이유에서 뿐만 아니고, 美國의 經營시스템과는 그 概念이나 理解마저 다르다는 관점에서 이루어져 왔다. 연구결과 學者들은 日本 經營시스템의 독특한 特徵이 日本의 文化的 傳統에서 유래되었다는 점에서는 의견을 일치하고 있다.

韓國은 그의 인상적인 經濟成長으로 인해 제 2의 日本이라고 불리어지고 있는데, 이러한 經濟的 成長은 韓國의 文化的인 배경에서 유래된 經營시스템의 效率性에 기인한다. 韓國과 日本은 오랫동안 中國文化의 영향을 받아왔기 때문에 文化的인 特性에 있어서 많은 共通點을 보이고 있으나 兩國間的 價値觀에 대한 인식에 있어서는 많은 상이점이 있는 것도 사실이다. 또한 韓國과 美國間에도 經營시스템에 있어서 差異點이 존재하고 있으며, 이러한 것들을 구명해 보는 研究도 유익한 것이 될 것이다.

이 論文의 目的은 日本과 韓國, 그리고 美國의 각 經營시스템에 있어서의 特異性을 調査해 보는데에 있다. 이러한 差異點이 구명된 다음에는 이들의 原因에 대한 分析이 이루어질 수 있을 것이며, 그럼으로써 각각의 經營시스템에 대한 理解를 增進시킬 수 있을 것이다.

II. 經營시스템의 特徵

먼저 日本, 韓國, 그리고 美國의 經營시스템의 特徵을 비교한 후 그 差異의 原因에 대해 살펴보기로 한다.

우선 三國의 經營시스템의 特徵을 열거하면 다음과 같다.

	日 本	韓 國	美 國
意思決定 雇傭期間	合意(稟議制度) 終身雇傭	合意(稟議制度) 終身雇傭이나 被雇傭이 자발적으로 退社할 수 있 음	個人的 또는 多數決 보장된 雇傭期間이 없음
個人主義 對 集團主義	集團主義를 重視	個人主義와 集團 主義가 동등한 정도	個人主義가 지배적
忠誠心 移動性 昇進	매우 강함 不動的 內部昇進	강함 융통성있는 移動 內部昇進과 外部迎入 겸용	약함 자유로운 移動 內部昇進과 外部 迎入 겸용
리더십 類型	權威主義的 家父長制度	융통성 있는 權威主義的 家父長制度	대부분 從業員 參加制度
報償制度	年功序列制度	年功序列 및 成果給制의 병용	成果給制度
政府와의 關係 勞働 倫理觀 조직에서의 強調點	밀접한 關係 · 협력적 儒敎的 倫理觀 和	밀접한 關係 · 협력적 儒敎的 倫理觀 仁和團結	직접적인 關係는 없음 프로테스탄트의 倫理觀 利潤

이상과 같이 日本과 韓國은 美國에 비해 많은 共通點을 지니고 있다. 이는 이들 2개국 이 中國文化의 영향권하에서 공통적인 영향을 받아 왔으며, 또한 韓國은 2차대전 전까지 약 40년간 日本의 지배를 받았으므로 日本의 經營시스템의 내용이 韓國의 經營시스템에 많이 도입된 결과라고 볼 수 있다.

그러나 각 特徵의 정도 내지 強度에서 차이점이 발견되고 있다. 특히 個人主義와 集團主義의 혼합형을 채택하고 있다는 점에서 韓國의 經營시스템이 日本의 것과는 다른 독특한 면을 지니고 있음을 알 수 있다.

III. 經營시스템上的 差異의 原因

각 經營 시스템은 國家別로 독특한 면을 지니고 있다. 이러한 特徵들은 文化的인 差異에서 기인하는 것이라고 할 수 있다. 즉, 經營시스템은 文化的 一體性의 函數라고 할 수 있다.

$$\text{經營시스템} = f(\text{文化的 一體性})$$

여기에서 文化的 一體性이란 그 나라 國民의 독특한 文化的 遺産을 뜻한다. 이와 같은 文化的一體性에 따라 그 나라 國民의 價値觀이 형성되며, 이는 다시 經營者의 意識상태를 결정하게 되어 各國의 經營시스템이 상이한 형태로 나타나게 된다.

이러한 文化的 一體性의 차이에 의해 형성되는 각국의 經營者의 意識상태를 비교하면 다음과 같다.

經營者의 意識上的 優先 順位

	日 本	韓 國	美 國
가장 중요하다	上司에 대한 忠誠心, 集團行動, “和”, 수직적인 上下關係	血緣, 孝道, 家族의 企業參加	個人主義, 利潤
매우 중요하다	出身學校, 企業과 國家利益의 結合, 教育程度	出身學校, “和”, 企業과 國家利益의 結合, 教育程度, 수직적인 上下關係, 地緣	教育程度
중요하다 중요하지 않다.	地緣 個人主義	個人主義	出身學校 忠誠心, 企業과 國家利益의 結合, 수직적인 上下關係

IV. 結

經營시스템을 이해하기 위한 方法으로는 여러가지가 있을 수 있다. 그중의 하나가 經營 시스템의 특징과 원인을 파악하는 방법이다. 本 論文에서는 文化的 一體性이 그 주된 원인으로서 작용한다고 주장하였다.

本 研究를 통해 三國의 經營시스템의 類似點과 相異點들이 비교되었다. 이와 같이 각기 다른 經營시스템들은 각각 독특한 방법으로 그들의 效率性을 유지하고 있음을 알 수 있다.

물론 文化的인 差異만으로는 설명할 수 없는 經營시스템상의 개념이 있다는 점은 인정하지만, 단지 本 研究가 經營시스템의 이해에 다소나마 도움을 줄 수 있으리라고 생각한다.