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The Impact of National Culture on Organisational Identity and Global Management: A Comparative Analysis of Mission Statements by Country

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findings and implications will generate useful and meaningful ideas to address my clients' needs and issues. In closing, I would like to express my deepest gratitude to my wife Riei and my son Junsei.

Abstract

Achieving harmony among employees of different countries and cultures is an important issue in global management, and a mission statement that brings people together is important in building an organisational identity that transcends national borders and cultures. However, many companies are lagging behind in localisation in terms of human resources and systems, and there are cases in which the easily translated company mission and vision are exported and do not work effectively as a management tool. In this study, I determined that the mission statement is an important foundation of an organisational identity, and it is a factor that has major impacts on strategy and organisational structure. I then analysed and compared the mission statements of 121 companies of different cultures (United States, China, Japan, and Germany) and quantitatively examined the effect of national culture on mission statements. As a result, I concluded that both the power distance index (PDI) and uncertainty avoidance index (UAI) influence corporate attitude towards all stakeholders. Understanding the cross-cultural context is indispensable for global companies with regard to corporate branding and organisational management based on the mission statement.

Keywords: Organisational identity, cultural intelligence, branding, global communication, stakeholder management, context

Chapter 1.

Introduction

1.1. Purpose of this Thesis

In recent years, the role of the mission statement as a management tool has been renewed against the backdrop of corporate scandals, promotion of diversity management, increase in mergers and acquisitions (M&A), and globalisation of organisations (Hirokawa and Haga, 2015). Particularly in global management, building trust among employees in different countries and cultures is necessary. According to the previous study on cooperative alliances between firms (Anderson and Weitz, 1989), congruent goals facilitate the creation and maintenance of trust, whereas value incongruence has a negative impact on trust, the quality of communication, and collaboration between alliance partners. How to set the goals that everyone can relate to and foster shared values is a top management issue for organisations aiming to transcend cultural barriers using management tools such as the mission statement. In fact, it is said that 70% of cross-border projects have failed (Yan & Luo, 2000), and that top management in global companies are required to build organisations that can effectively produce results across cultures. Another important issue in this study is the impact of culture. The Global Culture and Change Management Survey 2013 published by PwC mentioned that 84% of corporate managers believe ‘culture’ is critical to business success, and 60% believe culture is more important than strategy or operating model. However, only 35% believe their corporate culture is effectively managed. As such, although culture is recognised as important at the management level, it is not yet fully implemented as a driving force for business.

In this environment, it is extremely important to communicate corporate values and vision to employees to build an organisational identity that is a transnational. However, interviews with global companies (Rokt, GumGum, and TrenDemon) that have a Japanese branch show that localisation, in terms of human resources and institutions, is a major issue, and there are cases where easily translated mission and values are imported as is, becoming less meaningful. As a result, global integration and local adaptation become unbalanced, making it difficult to build a unified organisational identity. In this research, I consider the role and effect of the mission statement as a management tool for the integration of the organisation and examine external environmental factors that are relevant for penetrating the local organisation. Specifically, the research question is ‘How does national culture influence the formation of organisational identity?’

1.2. Structure of this Thesis

This study reviews previous literature in Chapters 2 and 3 to construct a hypothesis for the question, ‘How does national culture influence the formation of organisational identity?' Chapter 2 reviews and discusses the role and influence of the mission statement in organisational identity formation. Although the importance of management that is based on mission and vision has long been discussed, many of the companies described in 'Build to Last' (Collins & Porras, 1994) have subsequently been in the doldrums of bankruptcy or acquisition, casting doubt on the effectiveness of mission-based management. This research focuses on the definition and role of the mission statement as a management tool, and verifies its influence and associated issues based on previous literature. Chapter 3 summarises the arguments that have been discussed in institutional theory on the relationships among the three structural units of organisation, individual, and the surrounding institutional environment. Further, it explains how existing research has dealt with culture as an environmental factor.

In Chapters 4 and 5, I construct hypotheses and quantitatively test them in reference to the research questions based on insights from reviews of previous literature. In particular, I consider whether environmental factors, such as national culture, have an institutional impact on the process of forming the mission statement and organisational identity.

Chapter 2.

The Role of the Mission Statement in Organisational Identity Formation

2.1. Definition of Mission Statement

Table 1 shows that research topics concerning mission statements can be broadly categorised into four themes: stakeholder focus, content and characteristics, purpose or objectives, and performance link. Most of the studies focus on purpose or objectives, suggesting that the mission statement, as a management tool, is expected to play a role in controlling both organisations and employees.

Table 1: Research Topics Concerning Mission Statements

Focus	For-profit sector	Public sector	Non-profit sector
・Statekeholders focus	Bart and Bontis (2003)		
	Bartkus and Glassman (2008)		
・Mission statements content and characteristics	Baetz and Bart (1996)	Richman and Wright (1994)	Bart and Hupfer (2004)
	Bartkus et al. (2004)		
	Pearce and David (1987)		
・Mission statements' purpose or objectives	Bart (2004)	Bart and Hupfer (2004)	Bolon (2005)
	Bolon (2005)		Brown and Yoshioka (2003)
	Bart and Hupfer (2004)		Desmidt and Prinzie (2008)
	Verma (2010)		Forbes and Seena (2006)
	Baetz and Bart (1996)		Vandijck, Desmidt, and Buelens (2007)
	Hirota et al. (2010)		Williams et al. (2005)
	Sufi and Lyons (2003)		
・Mission statements - performance link	Pearce and David (1987)	Bart (2007)	Bart and Tabone (1998)
	O'Gorman and Doran (1999)	Palmer and Short (2008)	Bart and Tabone (1999)
	Forehand (2000)	Weiss and Piderit (1999)	Bart and Tabone (2000)
	Bart et al. (2001)		Forehand (2000)
	Analoui and Karami (2002)		Bart (2007)
	Sidhu (2003)		Kirk and Nolan (2010)
	Atrill, Omaran, & Pointon (2005)		Vandijck et al. (2007)
	Bartkus et al. (2005)		
	Palmer and Short (2008)		
	Green and Medlin (2003)		
	Bart and Baetz (1998)		
	Bart and Bontis (2003)		
	Sheaffer et al. (2008)		
	Alavi and Karami (2009)		
	Hirota et al. (2010)		

Note: Produced based on the figures by Macedo et al. (2016)

The use of the term 'mission statement' varies from company to company. According to Hirokawa and Haga (2015), the websites of 50 companies listed on the first section of the Tokyo Stock Exchange referred to their mission statement as corporate philosophy, mission, corporate policy, promises, management policy, management attitude, basic management policy, corporate conduct charter, code of conduct, principles of conduct, corporate vision, philosophy, vision, value, creed, statement, message, spirit, slogan, and way. These expressions consist of several elements from a superior concept, such as a mission, to a subordinate concept, such as tactics (Kitai and Matsuda, 2004; Okumura, 1994). Toba and Asano (1984) categorised the mission statement into three categories as follows:

1) Self-control type (1960 to 1970s)—a type that strongly constrains proprietors' attitudes and behaviours as a model for their own behavioural self-awareness and successors;
2) Code of conduct type (1980s)—refers to organisational components or those with strong internal control character; and
3) Policy-based type (2000s)—has features that disseminate corporate missions, management strategies, and policies internally and externally.

According to a study on the types of mission statements (Kitai and Deguchi, 1997), the proportion of policy-based (normative) mission statements tends to increase as the size of enterprises increases. This is probably because the larger the company is, the more likely it is to be listed on the stock exchange, and from a public relations perspective, the more likely it is for a company to use its mission statement to justify its economic activity.

Although there are many previous studies regarding mission statements, there is no unified definition of a mission statement (Hirokawa and Haga, 2015). Table 2 provides a summary of previous studies' definitions of a mission statement. Some of these definitions are: a statement of a company's business values and code of conduct to its customers, employees, and other stakeholders (Matsuba, 2008); a communication platform that expresses the beliefs and values of founders and successors, and specifies action guidelines that should be understood and shared by all members of the management organisation (Seto, 2010); codified values and beliefs published as an organisation (Takao and Ou, 2012); and clear beliefs, values, and codes of conduct of management and the organisation, both internally and externally (Tanaka, 2012). Meanwhile, Pearce & David (1987) argue that while a mission statement refers to 'mission, objectives, and goals', companies that perform better than average include the following eight elements:

1. The specification of target customers and markets;
2. The identification of principal products/services;
3. The specification of geographic domain;

4. The identification of core technologies;
5. The expression of commitment to survival, growth, and profitability;
6. The specification of key elements in the company philosophy;
7. The identification of the company self-concept; and
8. The identification of the firm’s desired public image.

In addition, Bart & Baetz (1998) assert that the mission statement represents the qualities and conduct of employees, while Bartkus et al. (2006) consider the mission statement as management’s policy for achieving goals, presenting a slightly more strategic and tactical view on the frontline.

As such, the mission statement has been viewed as representing a wide range of concepts, ranging from superior ones, such as the *raison d'etre*, and as a mission in society to subordinate concepts such as products and services handled by companies. These discussions on the definitions of a mission statement are illustrated in Figure 1.

Table 2. Definition of Mission Statement

Researcher	Definition of Corporate Mission Statements
Tsuchiya (1967)	経済人の精神たる資本主義精神に対する対立理念、もしくは"資本主義精神"の崩壊の上に経営者の間に普及し支配しつつある理念
Yamashiro (1969)	経営者が経営体の目的を達成するためにその機能を担当するにあたって活動の方針となる考え方。主体の目的活動のよりどころとなる考え方。
Kitano (1972)	企業が行動主体として一貫した行動をとり、その時々の偶発事故によって揺さぶられないためには、企業が現在どこに位置しており、これからどこへ向かって進もうとしているかについての企業の生活空間ともいうべき構想
Nakagawa (1972)	経営者自身によって公表された企業経営の目的およびその指導原理
Takada (1978)	経営者が企業という組織体を経営するに際して抱く信念、信条、理念であり、簡単には
Aida (1984)	経営上の諸制度（役割・規範の体系）の中に体現されて経営組織の統合の役割と、その目標（より高次には目的）を示すと同時に、構成員を動機づけ、企業内外の人々から正当性を得ようとするイデオロギー
Toba & Asano (1984)	経営者・組織体の行動規範・活動方針となる価値観、あるいは指導原理
Itami & Kagono (1989)	組織の理念的目的と経営のやり方と人々の行動についての基本的な考え方あるいは規範
Asano (1991)	経営者あるいは企業が経営目的を達成しようとするための活動指針あるいは指導原理
Ireland & Hitt (1992) Pearce & Roth (1988)	Statements with some or all of the following elements: purpose, goals (including economic objectives), products, markets, and philosophical views of the organization labeled as "company philosophy,""goal,""purpose," or "creed."
Campbell & Yeung (1991)	An organization's character, identity and reason for existence.
Mizutaniuchi (1992)	企業ないしその経営者が経営活動を展開する際に依りどころとする行動規範、行動指針、価値観、価値基軸およびエートス（行為への実践的起動力・推進力）
Umesawa (1994)	経営活動に関し、企業が抱いている価値観であり、企業が経営活動をしていく上での指導的な原理であり、指針
Okumura (1994)	企業経営について、経営者ないし会社あるいは経済団体が公表した信念
Shimizu (1996)	経営者個人が抱く信念、従業員の欲求・動機、社会的環境の要請の３つの要素が相互作用して見出された企業の価値観・目的および指導原理
Bart (1998) Bart & Baetz (1998) Hitt, Ireland, Hoskisson, Rowe. & Sheppard (2002)	Mission statements provide a control mechanism over the behaviour of employees, assists the organization in creating a balance between the competing interests of various stakeholders and contributes to a more focused resource allocation.
Matsuda (2002) Kitai & Matsuda (2004)	公表された個人の信念、信条そのもの、もしくはそれが組織に根付いて、組織の基づく価値観として明文化されたもの
Bart & Hupfer (2004)	A formal written document intended to capture an organization's unique and enduring purpose, practices, and core values.
Bartkus et al (2006) Gray & Smelzer (1985) Pearce & David (1987)	The mission statement gives a sense of purpose and direction to the organization, legitimizes its existence while providing the context for the development and implementation of a successful strategic plan.
Sumihara, Mitsui & Watanabe (2008)	経営体を貫く事業の基本的信条や指導原理
Matsuba (2008)	企業経営上の価値観ならびに行動規範を、企業の顧客、従業員をはじめ利害関係者に示
Aoki (2009)	企業の信条であり、企業活動の原点、原動力、最高基準になるもの
Yokokawa (2009)	公表性、客観性、論理性、独自性、社会的共感生の要素を含み、企業における指導原理として、企業経営における意思決定や判断、行動の規範となる価値観
Seto (2010)	創業者や経営継承者の信念・価値観を表現し、経営組織全成員で理解し共有すべき行動指針を明示した、コミュニケーションのベース
Ko (2010) Takao (2010) Takao & Ou (2012)	組織体として公表している、成文化された価値観や信念
Komoritani (2011)	自社の存在理由および未来像に対する問いかけへの表明であり、企業の重要な出発点であるとともに、経営活動の指針
Watanabe (2011)	行為や慣行の基底となる、経営体に固有の価値観
Tanaka (2012)	社内外に公表された、経営者および組織体の明確な信念・価値観・行動規範

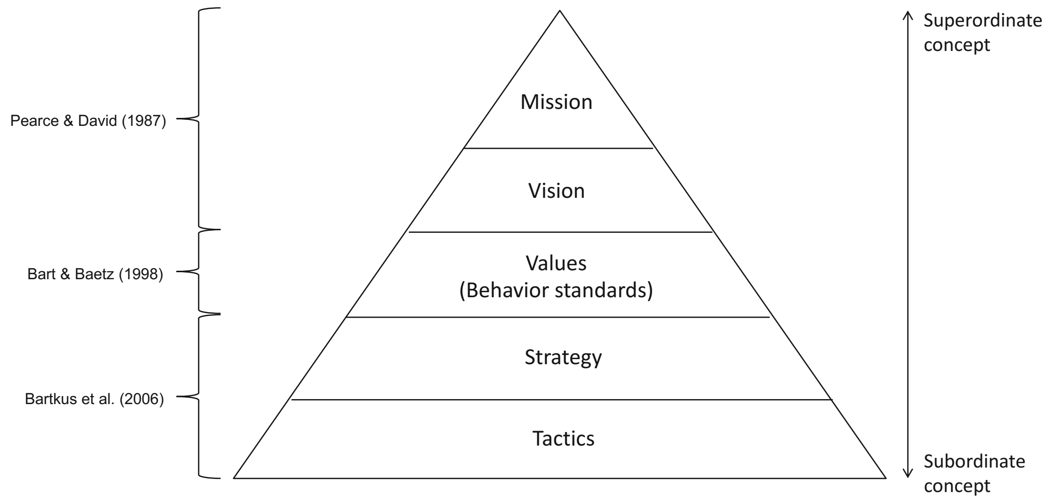


Figure 1. Structure of a Mission Statement

The main reason why there has been no consensus to date on the definition of a mission statement is probably that its scope is broad; thus, many scholars and companies have referred to different parts of the mission statement using the same words. Therefore, in this research, the mission statement is defined as follows.

The mission statement is a series of formal statements, including ① reason for existence (mission), ② management policies supporting the mission (vision), and ③ the qualities of employees and related guideline (values). At least ① should be included in a mission statement.

2.2. Functions of a Mission Statement

A mission statement has two major influences (Figure 2). First, it has influence on employees' behaviour. According to Macedo et al (2016), permeation of a mission statement increases institutional commitment and indirectly affects the performance of individuals and organisations (Yang & Pandey, 2009). An argument could be made that there are direct incentives (e.g. rewards and brand/social status of the company) for employees to increase their organisational commitment. However, in non-profit organisations where such incentives cannot be expected, it is thought that clarifying the reasons for working in such an organisation affects the motivation and performance of employees. Hirokawa & Haga (2015) point out that disseminating the mission statement may affect the intrinsic motivation and identity of organisational members, leading to improved organisational or individual performance. Second, the mission statement is said to affect how an organisation allocates its management resources. For example, it indicates to all stakeholders involved the company's direction in business management. It also influences companies to stay on the 'right path' while providing control mechanisms to prevent companies from setting inappropriate targets or getting involved in businesses that are unrelated to their core business (Bartkus et al. 2004). This may seem like a constraint for firms in industries where technological advances are forcing them to change their business models. However, this is an extremely important function in that it urges managers to be aware of their organisational identity when taking on new challenges and be cautious when pursuing new business ideas. CEOs who understand the company’s background use the mission statement as a pillar on which they stand, demonstrating propriety to stakeholders and effectively mobilising their organisations.

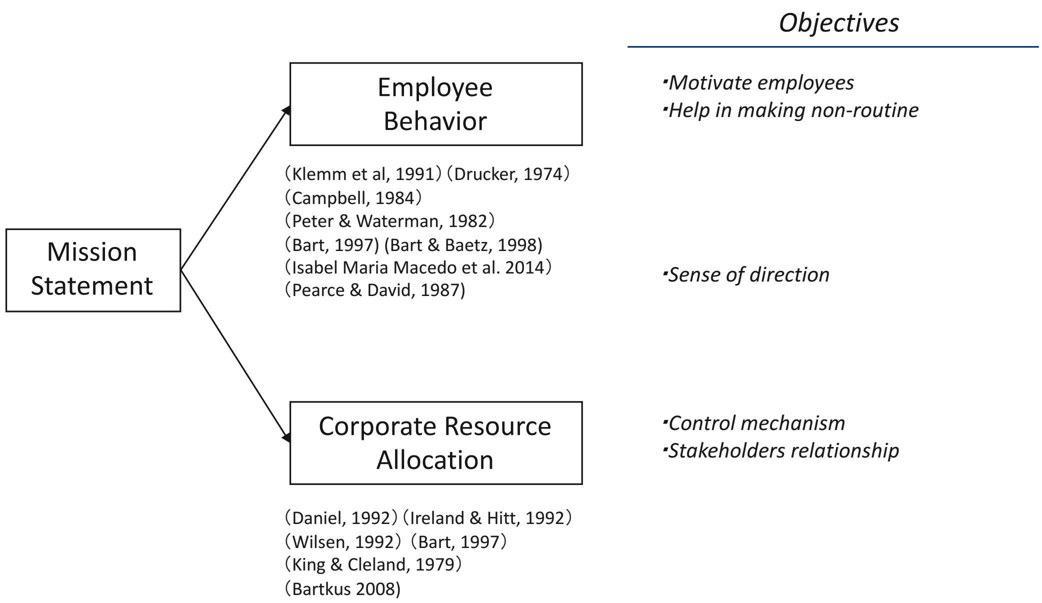
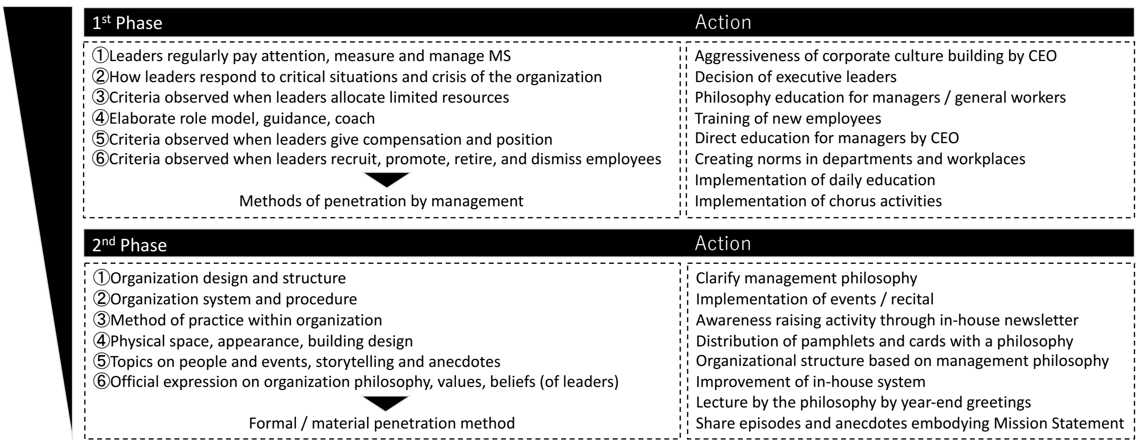


Figure 2. Functions of a Mission Statement

However, as a practical matter, no matter how conscious top management is about the mission statement, it is unlikely that their intentions and message would be widely disseminated throughout the company. Thus, it is important to understand the mechanisms through which the mission statement permeates the company and to implement specific internal communication measures. Figure 3 (Schein, 1985, 1999) shows that the first stage should include the actions of top management in response to organisational crises and clear standards for recruiting, personnel evaluations, promotions, and transfers. Once the values that top management believes are most important are made clear, employees would become aware of the company’s values and direction. Next, it is important to incorporate the values and philosophies associated with the mission statement into the organisation's system. This involves implementation of various ideas ranging from the soft aspect of establishing personnel evaluation standards aligned with the mission statement to the hard aspect of designing the office and corporate logo. Only with such steady measures can the mission statement become a management tool for increasing employee motivation and make it possible for the company to align its direction with that of its employees. Thus, it is considered that the mission statement contributes to forming the organisational identity and influences management strategy.

In the next chapter, I examine in detail organisational identity and its impact on management strategy.



Source: E. Schein (1985)(1999) Yokokawa (2010)

Figure 3. Mechanisms for Mission Statement Penetration

2.3. Organisational Identity and its Effect on Management Strategy

The concept of 'organisational identity' that has attracted attention since Albert & Whetten (1985) refers to the 'common perception of organisational constituencies' about the question 'who are we?' It is said to have three elements: ① centrality (a central characteristic that represents the organisational structure), ② uniqueness (a unique characteristic that the organisational constituencies perceive to be exclusive to them), and ③ continuity (a characteristic that changes over time). Albert, Ashforth, & Dutton (2000) points out that the surrounding environments of companies have become more complex and dynamic, as these concepts have been discussed in the context of organisational, socio-psychological, and strategic theories. In other words, to continue growing while adapting to the environment, companies are constantly faced with the need to innovate and ask themselves 'who they are'. What is particularly important with this question is the collective awareness (membership awareness) that members of the organisation have in comparison with other companies. In other words, there is no need for objective facts or evidence. A major criticism that emerged when the focus was placed on a 'strong, unique corporate culture' (as discussed later) was whether a 'unique culture' could be deliberately created. It is often the case that the uniqueness we consider is no different from other companies' perspective when looked at objectively. Subsequently, based on this collective recognition, a new idea that emerged was ‘organisational identity’.

Although few studies have examined the impact of organisational identity on business strategy, Livengood and Reger (2010) explain the impact of organisational identity on business strategy through the following three factors:

1) Awareness—relates to raising awareness of general environmental factors that affect competitive arenas,

2) Motivation—refers to the psychological motivation to eliminate factors that could adversely affect your business, and

3) Capabilities—concerns focus on the development of organisational capabilities relevant to the company's business.

If organisation members have a common view regarding the question of who they are, this would allow companies to spend more time and resources on their associated business domains and would enable them to increase their competitiveness and continue to grow. Figure 4 illustrates the linkage between this concept of organisational identity and related strategies and structures.

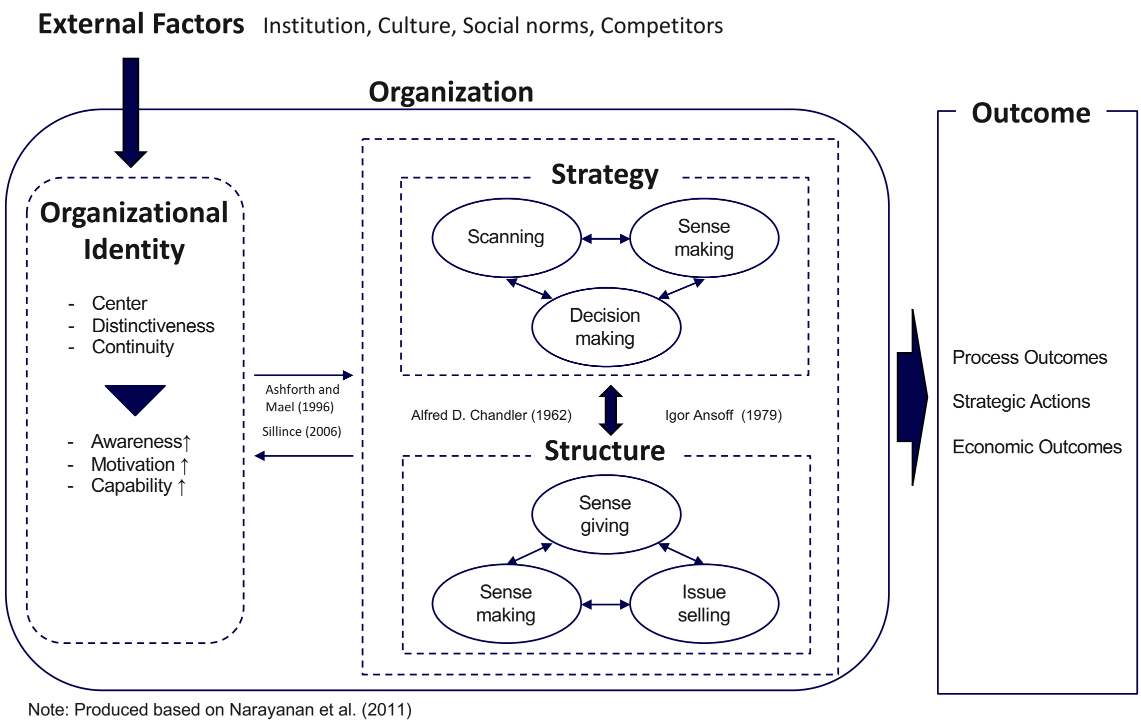


Figure 4. Relationship between Organisational Identity and Strategy/Structure

An organisation is a collection of people. In planning and implementing strategies, the organisation creates rational explanations (sense-making), makes decisions as an organisation, conveys them as an organisation in a rational manner (sense-giving), and implements them. The foundation for this process is the organisational identity. It can be said that employees of a company interpret things through the ‘specific filter’ = ‘organisational identity’ of the organisation to which they belong, form consensus with stakeholders inside and outside the company, and implement necessary management measures. According to Sato (2014), the core identity of the organisation is actually strongly influenced by the institutional environment surrounding the organisation. For example, regarding the ‘uniqueness’ of the three characteristics of an organisational identity, as presented in Albert and Whetten (1985), an organisation needs to assert its uniqueness as well as its homogeneity with others (Lounsbury & Glynn, 2001; Navis & Glynn, 2011). In other words, organisations have incentives to place themselves in certain categories and at the same time appeal to their uniqueness (Glynn & Abzug, 2002). In this sense, organisational identity influences the information processing and interpretations of organisational members (Gioia & Thomas, 1996), and influences the organisation's brand positioning, the use of management resources to create its uniqueness, and the decision-making processes within the organisation (Barney & Stewart, 2000; Glynn, 2000).

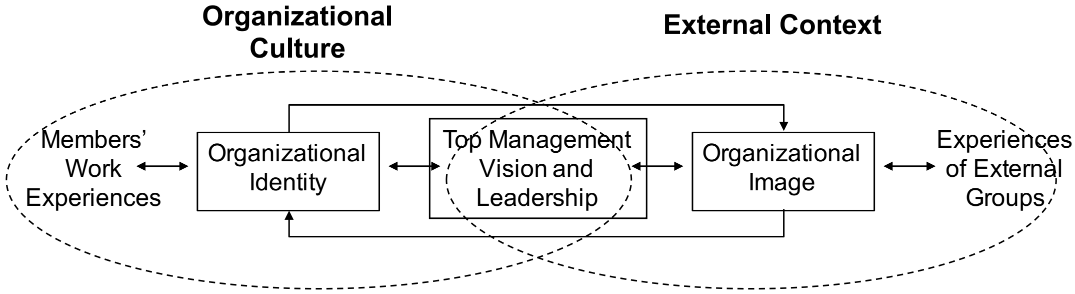
2.4. The Role of Mission Statement in Organisational Identity Formation

Table 3 compares the characteristics of a mission statement and organisational identity, and looks at their similarities. As noted above, organisation identity has three functions: awareness, motivation, and capabilities, which affect the strategy and the organisation. By having a common answer to the question ‘Who are we?’ top management seeks to identify environmental factors that may have some impact on their business domains in order to deal with them. Because management resources are always limited, a company develops its organisational capabilities while focusing on areas that are related to its core business. These may be considered as management functions similar to the mission statement of ‘guiding the direction of the organisation (vision)’ and ‘the control mechanism on the allocation of management resources’. In other words, the mission statement is considered to be at least an important foundation of organisational identity, if not synonymous with it. If this is so, what is the mission statement’s role in shaping organisational identities?

Table 3. Characteristics of Organisational Identity and Mission Statement

	Organizational Identity	Mission Statement
Function	1) *Awareness* Top managers will be more aware of the general environmental factors affecting the competitive arena. 2) *Motivation* The psychological importance of the identity domain directly affects the motivation of top managers to act and react to factors that affect the business domain. 3) *Capability* Increased awareness and motivation in the identity domain will increase the capabilities of the firm inside that domain and decrease its capabilities outside the identity domain.	1) *Providing A Sense of the organization's direction and purpose*. Mission statements are the starting point of every strategic initiative. Only a clear definition of an organization's purpose makes it possible to formulate realistic and cohererent goals (Bart el al., 2001), and to choose between strategies (Kemp and Dwyer, 2003) 2) *Control Mechanism to allocate organizational resources*. By providing a common direction that transcends individual, departmental and transitory needs, the mission statement acts as a strategic framework for allocatin organizational resources (Bartkus et al., 2000) and will facilitate organizational decision-making processes. 3) *Communicating effectively with important internal (motivate employees) and external stakeholders (stakeholders relationship)*. The mission statement can be an effective vehicle for communicating with interlan and external statkeholders (Barkus et al., 2000). By clarifying the orgnaization's goals, the organization can persuade stakeholders to provide the essential (tangible or in tangible) resources needed to sustain her activities (Sanchez and Heene, 2004) 4) *Describing the value of the organization that will guide and inspire organizational members (Help in making non-routine)*. The mission statement serves as a focal point for individuals to identify with the organization's purpose and direction (Collins and Porras, 1995). The resulting shared "sense of mission" hereby acts as a cultural control and coordinating mechanism that focuses employee efforts on the achievement of strategic goals (Campbell and Yeung, 1991).

Hatch & Schultz (1997) consider organisational identity to be at the heart of organisational cultures and described the relationship of the three elements: 'visions and leadership of top management', 'operational experiences of organisational members', and 'organisational images from an external perspective' (Figure 5). This can be understood as a way for a company to fill the gap between its 'organisational identity' and its 'real-world image' by proposing top management vision.



Source: Hatch and Schultz (1997)

Figure 5. Relationship between Organisational Culture, Identity, and Image

Other studies also point to organisational image, assessments by stakeholders (Brickson, 2005, 2007; Brickson & Lemmon, 2009; Scott & Lane, 2000), and media-based assessments (Kjaergaard, Morsing & Ravasi, 2011). In addition, Gioia et al. (2010) explain that the leadership and vision of top management is the first step in the formation of organisational identity, based on research examining the process of organisational identity formation at school. If organisational identity is the answer to the question 'Who are you?' the mission statement that clearly states the reason for the existence of the company and its vision for the future can be regarded as a concept that embodies at least part of the organisational identity. Based on the considerations above, this research treats the mission statement as ‘a clear description of the organisational identity’.

2.5. The Process of Formulating the Mission Statement

The new issue that has been discussed so far is that the organisational identity and the mission statement at its core are not created solely from the wish of the founder, but rather, are formed by the external environment in which the company is embedded. Therefore, to understand the process through which mission statements are actually formed in actual businesses, an in-depth interview was carried out with a former strategic management consultant experienced in the creation of many mission statements (Table 4). Based on the interview, Figure 6 shows a typical process of formulating the mission statement.

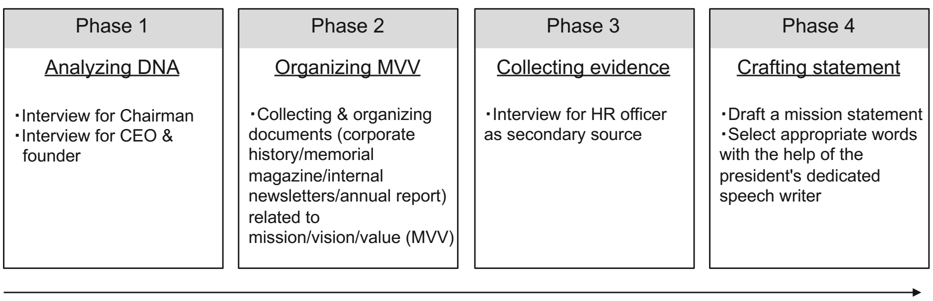


Figure 6. Process for Establishing a Mission Statement ①

Table 4. Summary of the Interview with an Ex-Strategic Management Consultant

Interviewee
・Ex strategic management consultant
Q. What type of company is trying to construct mission statement?
・Although I can't give details due to confidentiality, we can say that large global companies are the main customers.
Q. When did those customers need to build a mission statement?
・When the business needs to grow further and the company needs to redefine its business domain.
・I think it is often done in the sense of the second founding period.
Q. Who are the stakeholders involved in building the mission statement?
・A very small number of people, such as the president, chairman, and the president's speech writer (if they have).
・Strategic consulting firms and some HR consulting firms will support this as a working unit.
Q. What is the main purpose of creating a mission statement?
・To formulate a strategy and create a compelling medium-term business plan.
・In that sense, the mission statement can be said to be a source of persuasive business explanations for investors.
Q. Tell us about the specific process for creating the mission statement
・Phase 1 ：Extracting company DNA through interviews with the president and chairman
・Phase 2 ：Organize MVV through document analysis
・Phase 3 ：Support through interviews with secondary sources (HR officers, etc.)
・Phase 4 ：Drafting on a fact basis → Word choice → Completion
・I would say that this process is close to the one of selecting a president by a personnel consulting firm.
Q. What do you think of the differences between global and local companies in term of mission driven management?
・Western companies tend to be top-down and have little local concern
・It seems that the owner companies place much importance on consensus with the field.
・After all, whether it is top-down or bottom-up depends largely on the corporate culture.
・I have the image that European and American companies place importance on strategy and Japanese companies place importance on mission.
Q. How to think about the influence of the founder ?
・The owner company and the office worker company are different. Owner companies tend to take their own thoughts ahead.
・I think that a different approach can be seen if the founder of a startup hears the story behind the mission statement.

Based on the interview, project members who build the mission statement are generally composed of a small number of people such as the chairman, CEO, a speech writer, and a few strategy consultants. First, an interview is conducted with the president, founder, and chairman to extract information about the corporate DNA is (Phase 1). In this phase, the traditions and values that they have inherited in managing the company, as well as the experiences of failures and successes, are used to identify the corporate DNA. Next, documents related to the mission/vision/value (MVV) of the company, such as the company history/commemorative magazine/in-house magazine/IR materials left in the company, are collected and analysed (Phase 2). This phase analyses what is changing and what is being continued for the company's survival as times change. Through these two phases, the relevance and rationality of what is thought to be a corporate DNA to actual corporate activities are verified. In phase 3, through an interview with board members, including a personnel officer as a secondary source, the validity of the idea for the core MVV is verified. At the end, the mission statement is verbalised by selecting appropriate words with the help of the president's speech writer (phase 4).

Throughout the interview, I found that the goal of most global companies to craft a mission statement is to create 'a compelling business plan' for investors. Listed companies seeking to communicate with the market need to continue to redefine their business domains in order to present sustainable growth strategies. For this reason, it is necessary for most companies to constantly review the mission statement as a starting point. This insight may be considered evidence that the mission statement is not simply determined by the will of the top management but rather, is made under the influence of external stakeholders. From the viewpoint of corporate governance, there is also a growing need for listed companies to use their mission statement as a core message for external communication so as to control internal and external stakeholders' opinions, particularly in a modern environment where validity from the viewpoint of a third party is strongly demanded. Meanwhile, most of the companies with which strategic consulting firms do business are listed companies that have a long history. Therefore, even if it is a project to build a mission statement, the process does not start from scratch. Rather, it can be considered as the company restructuring its existing mission statement. This is a hypothesis, but if an entrepreneur actually creates a business from scratch, there is a possibility of freely creating a corporate mission statement without being bound by the rules of national culture and social common sense. A similar in-depth interview was therefore conducted with the founders of the unlisted start-up 'G-NEXT', a service provider of a SaaS platform that developed their mission statement from scratch. Their mission statement is at their homepage (Table 5). The process of establishing the mission statement is shown in Figure 7.

Table 5. Mission Statement of G-NEXT

Company
G-NEXT
Providing cloud service for customer consultation room
Mission
Change the world with customers' voice
Values
1. Creating beyond the imagination of customers
2. Respect to all colleagues and partners
3. Being an independent professional
4. Pursue speed for everything
5. Believe in the power of diversity
6. Decision and execution
7. Take a challenge if you get lost

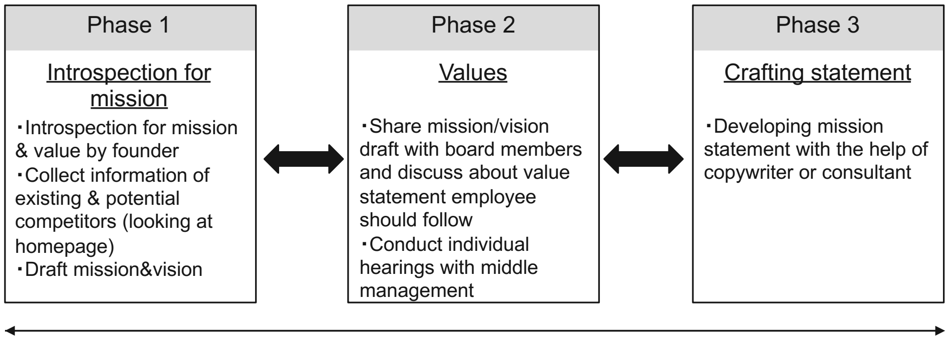


Figure 7. Process for Establishing a Mission Statement ②

According to an interview, there is no process for verifying the rationality, as seen in Figure 7, because the start-up is too young to have documents that describe its short history. Therefore, the mission statement of G-NEXT was formed through dialogue with board members and middle management based on the founder's idea. The founder's motivation for creating a mission statement is the desire to 'show the significance of their company to society' and 'want[ing] employees to work with pride'. Unlike large companies that have already established a presence in the industry, this is a unique motivation for early-stage companies whose organisations are still immature and whose social status has not yet been established. Meanwhile, in response to the question 'What led to the company's mission statement being spelled out and being transmitted to the outside on company websites', the founder of G-NEXT answered 'Timing considering IPO'. This is because the pricing logic for the assumed market capitalisation at the time of IPO is often determined by securities companies through comparisons with their competitors or companies that have a similar type of business model. In other words, strategic communication (about the industry that start-ups belong to) is a very important financial management activity for many unlisted companies that seek high market capitalisation. As if to support this, in response to the question ‘Have there been any information sources that could be used as a reference for creating a mission statement’, the founder of G-NEXT answered, ‘I looked at the websites of competitors (companies with SaaS business models such as Smart HR and Sansan)’. This suggests that the mission statement created by entrepreneurs is not necessarily disconnected from social wisdom. It is presumed that start-ups aiming at IPO often approach markets and investors. He also mentioned that they had changed their mission statement in line with the expansion of their business domains over the past years, which is similar to the case of Western companies described in the first interview. As can be seen from the changes in Amazon's mission statement (Figure 8), the mission statement is regularly reviewed in line with the company's growth and social environment. From the viewpoint of ‘Continuity (what changes over time)’, as Albert & Whetten (1985) point out, the contents of the mission statement are considered to be an important factor in shaping the organisational identity.

Source: Kotosaka (2018)

Figure 8. Changes in Amazon's Mission Statement

So far, I have looked at the relationship between the mission statement and organisational identity from a variety of perspectives, and the process by which they are formed. The important point is that a company cannot be exempt from the ‘should be’ image and industry regulations of various stakeholders such as suppliers, customers, investors, consumers, and governments that exist in the society, as well as from the impact of social conventions. In particular, for companies doing business globally (or aiming to do so), one of the major management issues is how to establish a common organisational identity across different cultures. Therefore, I conclude that strategic communication inside and outside the company using the mission statement is critical to integrating an organisational identity as a global company.

Chapter 3.

Impact of Cultural Factors

On Corporate Management

This chapter examines the effects of external factors, such as a culture, on a company's organisational identity. As a precondition, I would like to clarify how past research has organised the relationship between the three structural units: organisations, individuals, and the surrounding social institutions. Sato & Yamada (2004) points out that institutions, organisations, and individuals are nested. Organisations exist outside of individuals, and systems exist outside of organisations as higher dimensions, each affecting a lower dimension. He also states that research areas, such as corporate culture theory and organisational culture theory, focus on the relationship between people and organisations, while institutional theory focuses on the relationship between organisations and the economic activities of companies. I examine how culture as an environmental factor affects organisational identity and mission statement, summarising these related studies in time series.

3.1. From Corporate Culture Boom to Organisational Culture Theory

Theory Z, the Excellent Company, and the Symbolic Manager, all published in the United States in the early 1980s, were among the best-selling global management books in the industry. These books commonly addressed corporate culture, received not much attention from academia at the time, and conveyed a simple message: ‘Every company that continues to produce superior results has a cohesive corporate culture, which is created by management leadership'. This was in line with the thinking of top American officials at the time, who wanted to reorganize the siloed organisation into a monolithic entity.

The author of Theory Z, William Ouchi (1981), sorts out the characteristics of successful Japanese companies, identifies U.S. companies with similar characteristics as 'Types Z', and regards the intrinsic advantages of these companies as 'fine-tuned human-minded management techniques'. He states that Theory Z is the mission statement that supports these management methods from the foundation. Similar observations are made for the best-selling book 'Search For Excellence' and 'Corporate Cultures' (Table 6), and super-excellent companies are described as organisations similar to meaningful religious organisations that share the same values. There is a heroic leader in the organisation who has a clear basic philosophy and values, and employees share the story that can only be experienced there while linking each other through official and informal channels. This creates a unique corporate culture and identity that can only be possessed by super-first-class companies.

Table 6. Factors Creating a Strong Corporate Culture

	Theory Z (Ouchi, 1981)	Search for Excellence (TJ Peters, RH Waterman & I Jones, 1982)	Corporate Cultures (Terrence E Deal & Allan A Kennedy, 1982)
Factors for creating a strong culture	A management method that considers human sensitivity ①Long term employement ②Slow evalutation and promotion ③Moderately specialized career path ④Informal control with formailzed measures ⑤Consensual decision making ⑥Group accountability ⑦Holistic concern	①A bias for action ②Staying close to the customer ③Autonomy and entrepreneurship ④Productivity through people ⑤Hands-on, value driven ⑥Stick to the knitting ⑦Simple form, lean staff ⑧Simultaneous loose-tight properties	①History ②Values and Beliefs ③Rituals and Ceremonies ④Stories ⑤Heroic Figures ⑥The Cultural Network
Common measure	Visualize mission statement and values		

This growing consciousness of senior management to actively control corporate culture has led to corporate reform activities in the 1980s, namely, corporate identity (CI) and visual identity (VI). Companies began to renew their corporate logo and create a new brand name, and Japan experienced an unprecedented number of CI- and VI-related activities in the 1990s. However, this phenomenon did not last long. This is because, in the process of praising corporate culture, the focus has been only on surface-like designs and copy writings, leaving aside consideration of important issues such as countermeasures against the negative utility of a strong culture and the difficulty of changing culture in the first place. This was followed by the development of organisational culture studies that critically examine the various issues presented by corporate culture papers.

Organisational psychologist, Schein (1985) summarises the functions of organisational cultures into the following two categories:

1) External adaptation—① mission and strategy, ② goals, ③ instruments, ④ measurement, and ⑤ modification, and

2) Internal Integration—① common languages and concept categories, ② collective associations and criteria for inclusion and elimination, ③ power and position,

④ integrity, friendship, and loyalty, ⑤ prize and penalty, and ⑥ ideology and religion.

Schein (1985) focuses on an organisational culture that is strengthened by the interrelationships between external environments and organisations and their members, rather than on culture creation under one-sided management, as described in the corporate culture literature. Sato and Yamada (2004) says that in light of this situation, 'organisational cultural studies have since taken more careful account of internal factors (such as the existence of cultures and the ambiguity of cultural meaning and the diversity of interpretations) and external factors (such as macro-cultural and other environmental factors)'. Thus, the discussion is divided into two groups: a new institutional theory focused on the relationship between the organisational structure and the macro environment of external concerted pressures, and an organisational identity theory focused on the relationoship between the organisational structure and its members' common perceptions. The theme continues to grow deeper. How do macro-environmental factors, such as national culture, affect social institutions, corporate culture, philosophy, decision-making processes, and employees? In previous literature, the new institutional theory mentions social conventions and culture as institutional environmental factors but does not study their specific effects. Therefore, I examine the impact of national culture through Hofstede’s theory, which makes it possible to quantify and compare the cultures of different countries.

3.2. National Culture in Hofstede’s Theory

From the perspective of socio-anthropology, Hofstede (1985 presents his views on the relationship between the macro-environment and organisation as follows: ‘The organisation's value structure is influenced by the nationality of the founders or their predominant elite groups, which are based on the assumption that the founders' values and beliefs are largely shaped by national cultures’. In other words, if national culture has any effect on the values and beliefs of top management and employees, it may have some effect on the organisational identity, which is a common perception derived by organisation members from the corporate mission statement.

Hofstede (1984) defines cultures as ‘programmes of mind that distinguish one group from another’. For example, imagine a possible trouble between two people as follows.

Since childhood, Mr. A has been instilled with the value ‘it is important to listen to others to the end’. Mr. B has been raised with the value that ‘it is always important to put your thoughts into words’. Mr. A is silent, trying to hear the other person's opinion first. Meanwhile, Mr. B unilaterally begins to speak out and sometimes breaks into Mr. A's speech without hesitation. As a result, Mr. B determines that Mr. A, who keeps silent, is a person who does not have his own opinion, while Mr. A regards Mr. B as an aggressive person who does not listen to the opinions of others. Distortion of a person's perception of things due to difference in values is a common problem between different cultures.

Hofstede (1984) explains culture and values by showing an onion structure (Figure 9). The brown and surface parts are referred to as the ‘symbol’. This refers to images, words, gestures, materials that have special implications for a group. As the times evolve, a new symbol is constantly created and is easily copied in other cultures. This is why we are ‘on the top of the pinball’. The next tier is the ‘hero’. Behaviour and modality are highly regarded and ruled in a culture. ‘Hero’ sometimes refers to real people, such as movie stars and sports players. The other lower tier is ‘courtesy’. Competition refers to activities that are socially necessary for one group but not meaningful for others to understand. An example is exchanging business cards in Japan or a Chinese cup that must not be emptied. How day-to-day conversations and communications are conducted is another example of this concept of courtesy. Symbols, heroes, and expressions of courtesy are ‘visible’, and they constitute the group's ‘behaviour’. For groups with different cultures, common cross-cultural ways of understanding and training generally focus on ‘practices’ and on the skills needed to address them.

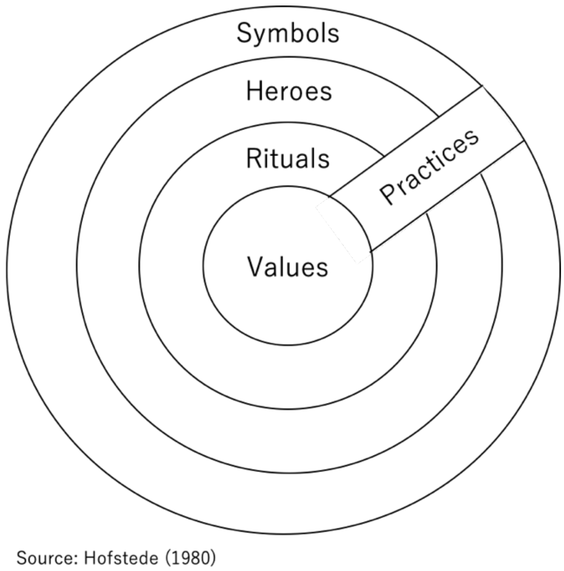
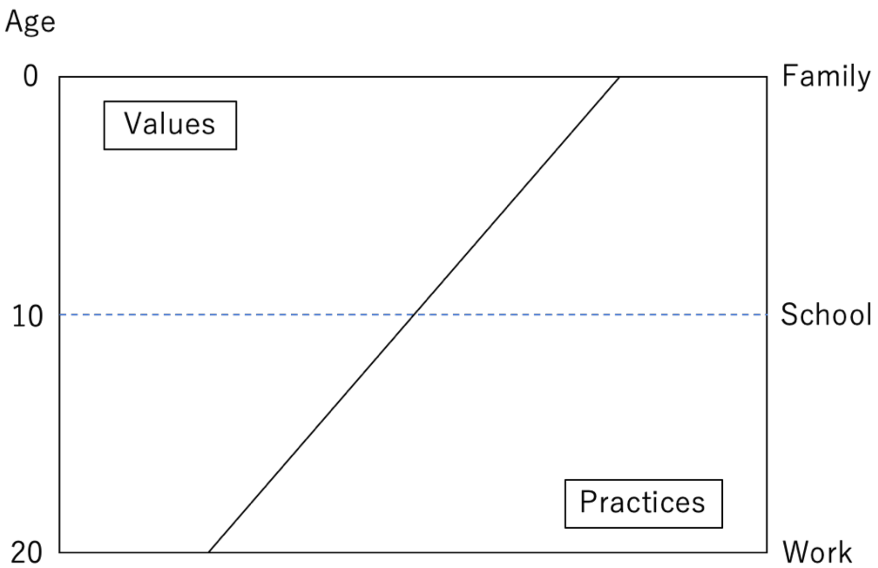


Figure 9. The ‘Onion’ Manifestation of Culture at Different Levels of Depth

However, it is not enough to understand the ‘visible’ part in a hierarchical manner. The key to understanding other cultures are the ‘values’ at the core of the onion. We have both a positive sentiment of ‘It's good!’ and a negative sentiment of ‘It's an absolute ear’ for something. The emotions that determine what is ‘better’ are called ‘values’ (Hofstede, 1984). We do not know what values we own because they are unconsciously formed and internalised at a very early stage in life. It is this sense of value that usually lies at the heart and emerges when stressed or disliked strongly.

Figure 10 shows when we develop our values and practices. It is said that values at the centre of culture are formed at around the age of 12.

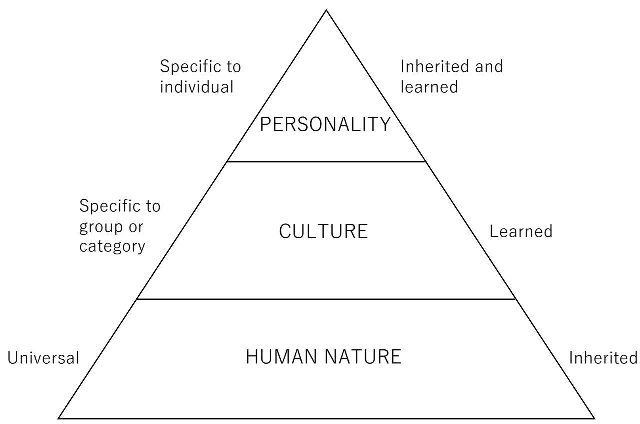


Source: Hofstede, G. J. Hofstede and Minkov (2010)

Figure 10. The Learning of Values and Practices

We cannot choose the country we are born in, but as we become adults, we are able to choose the groups we belong to. The organisational culture of a group have corresponding levels of ‘symbol’, ‘hero’, and ‘courtesy’ in the onion-type model, and a tangible ‘practices’ (Figure 9). The level of practices can be modified because they can be consciously recognised, but the unintentionally embedded values that connote the national culture are given and are said to take a very long time to change (Hofstede et al., 2010).

There are three levels of mental programmes that influence human behaviour (Figure 11). Each of us has very different genetics, which are affected by inherited characteristics and experiences. At the same time, we have a common DNA as human beings, a body, a basic spirit, and a common feeling of enjoyment. In this sense, we share many commonalities, even though each of us is a completely different individual. However, since human beings are social animals, our actions and behaviours are also influenced by our 'culture', which is a kind of programme embedded in the mind for survival. Therefore, it is impossible to ignore the human aspect as a social animal when conducting global organisational management.



Source: Hofstede, G. J. Hofstede and Minkov (2010)

Figure 11. Three Levels of Uniqueness in Mental Programming

3.3. Hofstede’s Six-Dimension Model

In the field of business economics, the business impact of indexing the ambiguous concept of cultural differences has been analysed. Hofstede's six-dimensional national culture model is the first to ‘quantify’ the relative cultural differences among countries from 0 to 100 for each dimension.

Hofstede (1984) considers five basic problems of national societies as follows:

1. Power distance—relates to the different solutions to basic problems of human inequality,
2. Uncertainty avoidance—refers to the level of stress in a society in the face of an unknown future,
3. Individualism versus collectivism—concerns the integration of individuals into primary groups,
4. Masculinity versus femininity—relates to the division of emotional roles between men and women, and
5. Long-term versus short-term orientation—refers to people’s choice between the future and the present with regard to their efforts.

After this study, indulgence, which is related to the way of enjoying life, was added as a sixth dimension. This is called Hofstede’s Six-Dimension Model (Figure 12). Let us look at the details of each dimension.

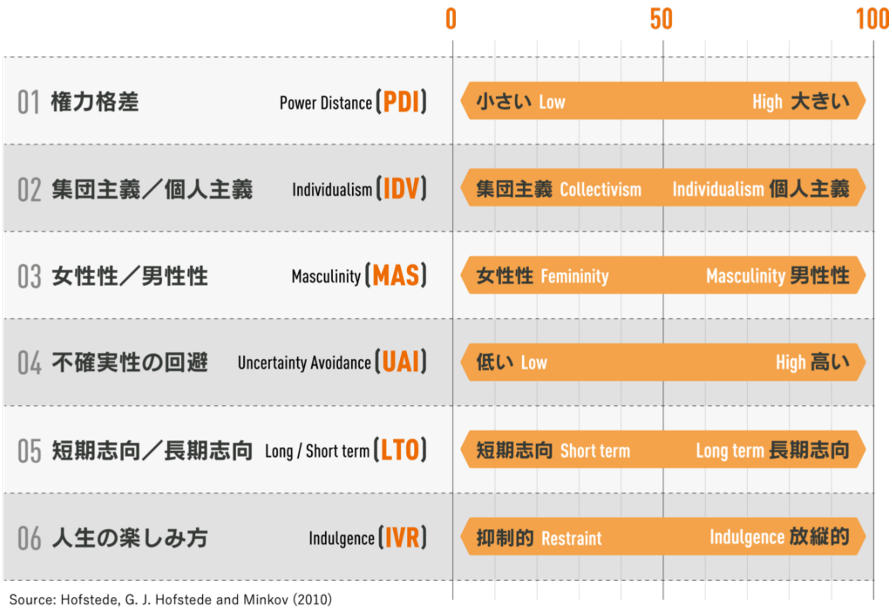


Figure 12. Hofstede’s Six-Dimensional Model

3.3.1. Power Distance (PDI)

In this world, inequality exists in the distribution of wealth, power, physical ability, and intellectual ability. Everybody knows this. However, the way in which this reality is addressed varies from country to country. Hofstede (1984) defines this as ‘power distance—the extent to which members with weak power in each country's institutions and organisations anticipate and accept inequality in the distribution of power’.

Differences in power are based on the value of people with weak power. How do disempowered individuals, such as children (families), students (schools), and subordinates (organisations), perceive inequality and distance from parents, teachers, superiors, and others? It varies from country to country. The characteristics of countries with a small power distance, those with a large power distance (Table 9), and the related countermeasures are examined below.

Table 9. Key Differences between Societies with Small and Large Power Distances

SMALL POWER DISTANCE	LARGE POWER DISTANCE
Inequalities among people shoud be minimized.	Inequalities among people are expected and desired.
Social relationships should be handled with care.	Status should be balanced with restraint.
Less powerful people and more powerful people should be interdependent.	Less powerful people should be dependent.
Less powerful people are emotionally comfortable with interdependence.	Less powerful people are emotionally polarized between dependence and counterdependence.
Parents treat children as equals.	Parents teach children obedience.
Children treat parents and older relatives as equals.	Respect for parents and older relatives is a basic and lifelong virtue.
Children play no role in old-age security of parents.	Childeren are a source of olod-age security to parents.
Students treat teachers as equals.	Students give teachers respect, even outside class.
Teachers expect initiatives from students in class.	Teachers should take all initiatives in class.
Teachers are experts who transfer impersonal truths.	Teachers are gurus who transfer personal wisdom.
Quality of learning depends on two way communication and excellence of students.	Quality of learning depends on excellence of the teacher.
Less educated persons hold more authoritarian values than more educated persons.	More educated and less educated persons show equally authoritarian value
Educational policy focuses on secondary schools.	Educational policy focuses on universities.
Patients treat doctors as equals and actively supply information.	Patients treat doctor as superiors: consultations are shorter and controlled by the doctor.

Source: Hofstede, G. J. Hofstede, Minkov (2010)

(1) Impact on human motivation

Countries with scores of 0 to 45 would prefer no power inequality wherever possible. The forces that are effective in these countries are those that motivate the people. Hierarchy exists, but it is a necessary expedient to serve a purpose. The age and social ranking of superiors, teachers, parents, and so on do not mean that they are better as a human being. In these countries, the ‘influences’ that motivate people are likely to be the key to success.

(2) Impact on leadership styles

In countries with scores of 55-100, which has a large power gap, inequality in power is a matter of course. In such an environment, the upside–downside relationship is ‘normal’, and people with a high social rank and those who do not are not are not equal. It is believed that the power holders—superiors, teachers, politicians, and so on—should be of excellent personalities. It is expected that they always know the best methods and correct answers to inquiries from their subordinates, and they are required to provide proper guidance to their subordinates and take into account their families as well. In these countries, the ability to take full advantage of ‘awe and fear’ as a leader is said to be the key to success.

(3) Impact on social systems

Families, which form the first mental programming in one’s life, are the primary source of the nation's culture, and their impact can be quite significant. In countries with a large power gap, parental authority continues to play a role in people's lives as long as parents remain healthy.

In France, it is thought that it is important to nurture children with dignity; however, it is said that they actually scold children. It is rare to see unrestricted children in public places, such as trains, restaurants, and supermarkets. Indeed, 82% of French citizens oppose corporal punishment bans, such as spanking a child, and 70% opposed it in 2015, according to an article by French media Phigalo. However, as of December 22, 2016, nearly 40 years after 1979, when Sweden first banned corporal punishment in Europe, corporal punishment of children was banned. No penalties were imposed on violators, but the intent was that ‘guardians should review their behaviour again’. Given the Swedish power gap score of 31 and that of the French at 68, we can understand why it took so much time.

In countries with a high power distance, even in schools, there is a strong desire for students to rely on teachers, and teachers are treated with respect and fear. The quality of education is heavily influenced by the abilities and personalities of teachers, as students do not publicly oppose or criticise them at school.

Meanwhile, in countries with low power distance, children are treated equally with their parents as soon as they can reasonably act by themselves. Statements of opposition to parents are encouraged to ensure that actions against others are not affected by age or status. Sometimes the relationship between a child and a parent is regarded as friendship; therefore, there is no formal respect. In schools, teachers are regarded as equals, placing great value on the student's autonomy. Students are supposed to ask questions if they don't understand something, so they often argue or criticize the teacher. Thus, the quality of education depends on whether the student is fully motivated to be self-reliant and communicates with the teacher. Education in the Netherlands and Finland has been well-recognised in Japan, and it can be implemented effectively because in these societies, the desire for self-reliance is programmed as a key element.

In the U.S. medical field, patients and physicians are on equal footing, and physicians listen in detail to patients' wishes for prescriptions (Miyamori and Miyabayashi, 2019). However, they often hear from U.S. physicians that it is very difficult to diagnose and respond to Asian or Hispanics patients because they do not clearly convey their conditions. This is a phenomenon that occurs in an environment where there is high discrepancy in power and among people who do not have sufficient language skills to communicate equally with doctors, and this is considered to have a major cultural impact.

(4) Impact on business

The use of superior power in the workplace also varies from country to country. This is because the basic relationships between parents and children, teachers and students, and physicians and patients are also reflected in the relationship between superiors and subordinates. In countries with small power differentials, the hierarchy in organisations is small and simple.

However, in countries with a large power gap, organisational hierarchies are more complex because they find it optimal to fine-tune the functions of an organisation and each division fulfils its assigned duty. Decision-making is top-down. Subordinates expect the decision and instructions from their superior; they do not want to be involved in the decision-making process. The subordinates consider detailed work instructions from their supervisors an emotional commitment. Supervisors instruct their subordinates to voluntarily provide solutions to problems.

3.3.2. Individualism/Collectivism (IDV)

Hofstede (1984) defines the characteristics of a society in which the interests of an individual group take precedence over the interests of an individual as a ‘collective society’, and a society in which the interests of an individual take precedence over the interests of an internal group as an 'individualist society'. He further defines the characteristics of each society as follows. Here the 'inside' group is the keyword for understanding collectivity. In societies characterised by collectivity, people are integrated into an intimate group of members from birth; as long as they pledge loyalty to the intimate group, they are protected by that group throughout their life. In a society characterised by individualism, the linkage between individuals is loose; each person needs to care for himself and his/her friend. It is said that the question of how to balance the roles of individuals and groups is fundamental to human society, and its influence is thought to be enormous.

Table 10. Key Differences between Collectivist and Individualist Societies

COLLECTIVIST	INDIVIDUALIST
People are born into extended familes or other in-groups that continue protecting them in exchange for loyalty	Everyone grows up to look after him or herself and his or her immediate (nuclear) family only.
Children learn to think in terms of "we."	Children learn to think in terms of "I."
Value standards differ for in-groups and out-groups: exclusionism.	The same value standards are supposed to apply to everyone: universalism.
Harmony should always be maintained and direct confrontations avoided.	Speaking one's mind is a characteristi of an honest person.
Friendships are predetermined.	Friendships are voluntary and should be fostered.
Resources should be shared with relatives.	Individual ownership of resources, even for children.
Adult children live with parents.	Adult children leave the parental home.
High-context commjnication prevails.	Low-context communication prevails.
Frequent socialization in public places.	My home is my castle.
Trespasses lead to shame and loss of face for self and group.	Trespasses lead to guilt and loss of self-respect.
Brides should be young, industrious, and chaste: bridegrooms should be older.	Criteria for marriage partners are not predetermined.
The most powerful influence on grils' beauty ideals is girlfriends.	The most powerful influence on girls' beauty ideals is boys in general

Source: Hofstede, G. J. Hofstede, Minkov (2010)

(1) Characteristics of a collectivist country

The first people an individual meets at birth are his/her families. In collectivist countries, children are often surrounded not only by parents and siblings, but also by grandfathers, relatives, and colleagues, and they grow in extended families. This link is called an internal group and has been defined since its inception. An affiliate group that pledges loyalty cannot choose at its own will. As children grow, they become increasingly aware that they are 'members of the internal group', and they are said to have an exogenous attitude towards the 'outside' of the internal group. Relationships with the first 'groups' that a person meets in life have a major impact on the way that person communicates. In collectivist societies, because internal groups must maintain harmony and avoid conflicts, they try to listen to each other and speak supportively. As a result, indirect communication becomes the mainstream. In this case, the responsibility for communication lies with the audience.

(2) Characteristics of an individualistic country

In individualistic countries, children are nurtured by their parents or by the core families of their parents and siblings in cases of single parents. Meeting relatives can be a yearly activity. Children begin to see things from their own perspective. In individualistic societies it is a characteristic of honest people to speak their minds and to speak truthfully about what they feel. Conflicts of opinion are likely to lead to higher-level and more realistic results; thus, conflicts need not be avoided. As a result, there is clear, direct communication, and the responsibility for communication lies with the speaker.

(3) Impact on social systems

The trend of privatism and collectivism has a major impact on the social system, especially in the areas of education, economic systems, and information infrastructure. For example, let us look at the educational field. There is a learning method called 'active learning', which is mainly based on debates or group work. Rather than allowing teachers to unilaterally educate students, this learning method focuses on 'cultivating the ability to think and learn by themselves' by providing students with the opportunity to think about issues themselves and disseminate their opinions. This method is widely adopted by educational institutions in the United States and other individualist countries. Harvard Business School is famous for a case study method, which consists only of discussions among students. Students read cases and materials about a particular company before the class, and they really struggle to get used to this style, as students, under professor facilitation, discuss how to think about their issues and how to solve them. At least in classrooms in mandatory Japanese education, the challenge is given by the teacher, and the lesson is not about asking what the problem is, nor is it about being ‘able to debate’ with classmates in the delicate facilitation of the teacher. Differences in educational methods are thought to have a large cultural impact.

However, in a collectivist environment, there is no natural discussion. Students are focused on maintaining harmony and face-to-face interaction, and there is self-restraint that, in the first place, each member of the group should not make statements freely without the group's permission. They also tend to be reluctant to speak further if there is a mix of people that they do not know too much. To encourage students to speak in such an environment, it is useful for the teacher to nominate and force them to speak, or to set up a small group of three to four students to answer the questions as a group.

In this way, society’s culture of individualism or collectivism has a great impact on educational sites. When teachers from a country with a highly individualistic culture come to a collectivist country, they may complain that ‘students in this country do not express their opinions on nature’ or that ‘because they do not ask any questions at all, they will lose their momentum’. This is the attitude of looking only at a home-centred measure. Conversely, Japanese people must recognise that many of the partners they face in global businesses are affected by highly individualistic countries and continue to inquire and act on which parts of the global business can be updated to effectively deal with them.

(4) Impact on the economic system

In the United States, there are non-profit organisations known as Centers for Individualism. While privatism is the source of its high economic growth and well-being, its mission is recently shifting towards more collectivism and reliance, 'to lead the rebirth of autonomy and privatism in the United States'.[1]

In highly individualistic countries such as the United Kingdom and the United States, it is natural to accept the idea that if individuals pursue profits under fair competition, the 'invisible hand', as termed by Adam Smith, will do its part and increase the nation's wealth. In these circumstances, many people believe that the state's role in the economic system should be minimal.

Meanwhile, countries with a strong collective interest do not engage in self-serving behaviour that ignores the interests of internal groups. 'Self-fulfilment', which is the highest-order desire described in the greed hierarchy theory, is important to an individualistic society, but not to a collective one. Rather, 'harmony of society' and 'consensus of opinion' are much more valued by the latter, in which case the economic

[1] https://centerforindividualism.org/about/

system becomes dominated by the state.

(5) Impact on information infrastructure

Scott Galloway (2018) introduces Google, Apple, Facebook, and Amazon as information technology companies that dramatically changed modern businesses and warned about it. The big question is why all these four IT giants were founded in the United States. Hofstede et al (2010) points out that most of modern information communication technology (ICT) was developed in the United States, an extremely individualistic society. ICT is a tool for expanding the abilities of individuals; thus, it is often used in individualist societies rather than collective societies. Several data support this. The Eurobarometer survey (2008) shows that among European countries, the stronger individualism is, the greater the access to the Internet and the use of e-mail. While people routinely use computers to shop and communicate online, people in countries with weak individualism tend to prefer connecting to society in a more direct way. In fact, research shows that people who do not use the Internet can spend more time with themselves, their families, and their friends.[2]

China, which regulates Google and Facebook, has collectivist scores but is

[2] Flash Eurobarometer 241, 2008. Information society as seen by EU citizens.

developing other forms of informational infrastructure. Companies such as Alibaba and Tencent are working together with the State to develop special zones for innovation such as Shenzhen. The cashless ratio in China is 60% (18% in Japan). High power distance and low uncertainty avoidance (introduced in later chapters) lead to the value of just try and fail, which is immediately put into practice. It can be considered that the national culture has a deep influence on how the information infrastructure is designed.[3]

(6) Impact on the front lines of business

In a collective society, relationships are said to take precedence over duties. Relationships must be formed first before work can be done. Those who visit China or Latin America experience being invited to eat or drink. Needless to say, this is a gesture to welcome colleagues, but it should be viewed as an informal introduction and a way to inquire, ‘Are you okay working with this person?’ Meanwhile, in a strongly individualistic society, people should be treated equally, and it would seem unethical to favor one person over another. Moreover, When hiring, it is normal to clearly indicate the skill set required for each vacant position, and nepotism that favors a specific acquaintance is basically not acceptable. However, collectivism considers it honest to

[3] Cashless Now (1) 4 September, 2018 Nikkei Shimbun.

give preferences to members of their internal groups over others. Because there is an underlying sense of separation between one's inner group and the rest, favoring one's friends is considered normal, ethical, and healthy. If you have a vacant position, you recommend a credible person from your group.

3.3.3. Masculinity/Femininity (MAS)

Hofstede describes the way people place value in competitive societies as in ‘feminine vs. masculine: focus on the quality of vulnerabilities and livelihoods and prioritise the successes and status of competitive forces’.

(1) Characteristics of ‘masculine’ societies

In societies with a strong tendency for masculinity (scores of 55–100), social success is emphasised, and the goals set for this purpose must be achieved without fail. Continuous efforts are required, and those who succeed are commended by the people around them. In addition, there is a tendency to distinguish between the social roles of men and women, and there are many interpretations of the term ‘unique to men’ and ‘unique to women’. ‘Masculine’ countries such as the United States, the United Kingdom, China, Mexico, and Germany have a tendency to be committed to consistently setting and pushing ahead with objectives. Japan is the most prominent among these countries, with a score of 95. In the case of Japan, it has been noted that it is 'extremely important to go along the path' towards the goals it has set.

(2) Characteristics of 'feminine' societies

Meanwhile, in societies where women tend to be strong (scores of 0–45), the goal is considered necessary to indicate the overall direction, but it is not necessarily a must to achieve it. This is because success is not achieved through effort alone but also depends on luck and proper timing. Moreover, this is because they share the value of living with compassion for the vulnerable in society by focusing on the time they spend with their loved ones rather than attaching themselves to their goals. In such a society, the social roles of men and women overlap. France, Spain, Portugal, and other countries tend to be feminity. The five Scandinavian countries, Sweden, Norway, Denmark, Finland, and Iceland, as well as the Netherlands, show extremely high scores for femininity.

According to The Economist's article 'Why so many Dutch people work part time (2015/5/11)[4], the Dutch government prohibits companies from setting a gap in the working conditions of full- and part-time workers in terms of hourly wages, participation

[4] https://www.economist.com/the-economist-explains/2015/05/11/why-so-many-dutch-people-work-part-time

in social insurance systems, length of employment, and promotion; and treats them equally considering the number of hours worked. As a result, 26.8% of men and 76.6% of women work part-time.

Scandinavian countries ranked highest in the United Nations' 2012 Global Welfare Report, and are highly regarded by other countries for their high standard of living—having the world's best education system, advanced environmental policies, and a rich social security system. In Japan, where work style reform is an urgent theme, there are increasing calls for studying in Northern Europe. However, these are systems that came about because of a highly feminine culture, and that is why the public is willing to be taxed at a higher rate to maintain this system. It is necessary to consider this point when introducing such a system in Japan, where masculinity is considered extremely high.

Table 11. Key Differences between 'Feminine' and 'Masculine' Societies

FEMININE	MASCULINE
Relationships and quality of life are important.	Challenge, earnings, recognition, and advancement are important
Both men and women should be modest.	Men should be assertive, ambitious, and tough.
Both men and women can be tender and focus on relationships.	Women are supposed to be tender and to take care of relationships.
In the family, both fathers and mothers deal with facts and feelings.	In the family, fathers deal with facts, and mothers deal with feelings.
Girls" beaty ideals are most influenced by the father and mother.	Girls' beauty ideals are most influeced by the media and by celebrities.
Parents share earning and caring roles.	The standard pattern is that the father earns, and the mother cares.
Both boys and girls are allowed to cry, but neither should fight.	Girls cry, but boys don't: boys should fight back, and girls shouldn't fight at all
Boys and girls play for the same reasons.	Boys play to compete; girls play to be together.
The same standards apply for bridegrooms and brides.	Brides need to be chaste and industrious; grooms don't.
Husbands should be like boyfrineds.	Husbands hsould be healthy, wealthy, and understanding; boyfrineds shoulud be fun

Source: Hofstede, G. J. Hofstede, Minkov (2010)

Femininity and masculinity are among the most controversial dimensions of Hofstede's concept of national culture, the interpretation of which is complex. There is a book about only this dimension. In countries with high masculinity, feminine vs. masculine classification” is sometimes criticised as gender discrimination; thus, this is sometimes replaced by ‘tough vs. caring’ or ‘Achievement’ (Hofstede et al, 1999). The ‘me too’ campaign, which involves victims of sexual harassment in the United States, has been spread by social networking sites, and the issues of power and sexual harassment, which have recently been repeatedly reported in Japan, are also considered to be phenomena unique to men. Gender conflicts are more likely to occur in societies with gender-specific social and emotional roles. Female support mechanisms, such as the U.S. professional sports team and female managers in Japan, exist only in societies with high masculinity. Meanwhile, it is the women-dominated culture that has accepted gay loves (Hofstede, 1989).

(3) Impact on social systems

Northern Europe and the United States have a culture of individualism and have values of caring for themselves. However, there are major differences in their welfare systems. In Nordic countries and the Netherlands, it is believed that everyone should be guaranteed a minimum quality of life. Thus, it is not surprising that these countries collect their financial resources from high-income earners to realise high levels of public education and healthcare services, and the citizens are subject to a high tax rate based on their income.

However, in the United States, the Trump administration is trying to break through the introduction of Obama Care, which aims to ‘provide affordable health insurance to more people, improve the quality of health care and insurance, and regulate health insurance companies to reduce health care costs’. 'It's the individual's fault that he or she is so poor that insurance can't pay for it, or that he or she has a pre-existing condition because of poor self-management. Why do I have to do my part for such people?" is a persistent theme in the United States. Moreover, if you desire good public education in the United States, you need to live in areas where high-income people live. The idea that these rich people benefit as a result of their corresponding efforts is thoroughly understandable. Male dominant countries tend to aim for a growth-oriented and performance-based society, while women dominant countries tend to aim for a distribution-oriented welfare nation, and their values are also reflected in welfare systems.[5]

[5] What is Obama Care : https://obamacarefacts.com/whatis-obamacare/

(4) Impact on the front lines of business

Differences in the meaning of ‘goals’ have a significant impact on the frontlines of businesses. For example, consider selecting a most valuable employee of the month. In the United States, many companies decorate the photos of the most active employees in the previous month on corridors and elevators, and display their names on monitors. Employees who have achieved their goals and have good performance are praised in public and simultaneously given visible rewards, such as salary increases and promotions, depending on their performance. In China, the company is regarded as a place to fulfil one’s jobs and roles faithfully, and from which commensurate compensation is received. Clear goal-setting, relevant metrics, and appropriate rewards are the motivating factors.

In male dominant societies people who work and achieve their goals are considered praise-worthy. Work is important in life. To achieve one’s goals, people are willing to work hard, sometimes sacrifiying own family life. Meanwhile, in countries with a high number of women, ‘MVP employees of the month’ are rarely awarded. The goal is not to achieve but to determine the direction, and it is interpreted that it is not only their abilities but also their fortunes and the people around them who contribute to achieving results. Therefore, it may be considered shameful to be the most prominent or commended employee for good performance.

In high femininity cultures, work is necessary for survival and provides opportunities for mutual assistance and interaction. The ability to flexibly manage time and thus, be able to allocate time for one's family (such as caring for a child) motivates people to work. In Nordic countries, where women are strong, there is what is called the 'Law of Jante'. Jante, a small town created in 1933 that originated from a novel by Danish-born Norwegian author Sandelmose, is a rule that must be followed. It is said that this is highly representative of the characteristics of the entire Nordic region.

Table 12. Law of Jante

Law of Jante
1. You're not to think *you* are anything special.
2. You're not to think *you* are as good as *we* are.
3. You're not to think *you* are smarter than *we* are.
4. You're not to imagine yourself better than *we* are.
5. You're not to think *you* know more than *we* do.
6. You're not to think *you* are more important than *we* are.
7. You're not to think *you* are good at anything.
8. You're not to laugh at *us*.
9. You're not to think anyone cares about *you*.
10. You're not to think *you* can teach *us* anything.

Jante's Law is favourably accepted in Japan as a message that people should respect each other and be humble because they have their own way of doing things and they are different from others. However, it is regarded as a source of a great deal of trouble among the people of Denmark and Northern Europe. This is because the end of this story has been lost among people as a result of setting rules in a way that successful people do not practice humility.

‘Denmark doesn't foster successful people or outstanding people’, Nils Reliron, a commentator for the Danish national newspaper Julins Posten, wrote in a Nordic feature: ‘It would be great to be born in Scandinavia. However, that's if you're an average person. But if you have extraordinary talents, big dreams and visions, and you're just a little bit different, you're going to be crushed if you don't emigrate’.

3.3.4. Uncertainty avoidance (UAI)

You cannot know what is going to happen in the future. Everyone understands this. However, how to deal with the fact that ‘the future is uncertain’ varies from country to country based on the respective culture. Trying to avoid being stressed by such concerns and feeling threatened by the ambiguity and unpredictability of the future is the dimension called uncertainty avoidance, which represents the extent to which a member of a specific culture feels uncertain and has established faith and institutions to avoid such uncertainly.

(1) Characteristics of countries with high levels of uncertainty avoidance

Countries that tend to avoid uncertainty have many co-cultured rules, institutions, and a variety of customary rules in their daily lives because they believe that greater predictability can avoid uncertainty. This is because people are susceptible to anxiety and stress and need ‘emotional’ rules, mechanisms, and promises to avoid them as much as possible.

Japan, which builds a five-minute timetable and operates the Shinkansen on schedule, is said to have an overwhelming desire to avoid uncertainty (Score 95). It has regularly experienced natural disasters for the past 2000 years and thus, has become a nation that very strongly wants to avoid ambiguity and uncertainty. Frequent announcements and ‘late notices’ in the event of a delay in a train’s schedule are procedures necessary to deal with unexpected events, and are also mechanisms for ensuring peace of mind. In Japan, acceptance of a natural disaster has somehow created a sense of pride, while the willingness to do everything possible to prepare for a disaster has been ingrained in people's minds. These imprints have a major impact not only on natural disasters, but also on social systems such as the company's registration, the documentation process at the bureau, and the system for handicaps that are always needed to buy cars and homes. Needless to say, Japan is the only country in the world that maintains the stamp registration system. In 2018, the government finally decided on the ‘Digital Government Action Plan’, which includes measures to improve the productivity of the government, including a major review of various systems related to stamps, such as ‘abolishment of the obligation to register stamps at the time of establishment of corporations’ and ‘review of stamps in government procedures’. Why does it take so long to get out of the *hanko* culture, even though the Japanese people know it is a hindrance to productivity? That a change cannot be made without clearing certain conditions is probably caused by the extreme characteristics of a culture of high uncertainty aversion.

From the 2010 edition of the World Values Survey, in certain on-going international projects that examine the socio-cultural, moral, religious, and political values of people in different countries worldwide, the category of ‘people seeking adventure, risk, or stimulating lives’[6] received the lowest response among participants from 60 countries.

(2) Characteristics of countries with low levels of uncertainty avoidance

Germany and the United Kingdom have many similarities, but they have a large difference in the score on uncertainty aversion. Peter Lawrence, a sociologist in the United Kingdom, suggests that if the train happens to be late, this is considered lucrative in the United Kingdome and tragic in Germany. The United Kingdom (which

[6] http://www.worldvaluessurvey.org

considers trains to be ‘lucky’ when running on time) is considered as a country that accepts ambiguity and uncertainty (Lawrence, 1980).

Britain does not have a codified constitution. The constitution is made up of diverse sources of law, including laws such as the Magna Carta and the Bill of Rights, common law, and case law. The U.S. Constitution, drafted by immigrants from the United Kingdom, has been revised six times since 1945, and first drafted without knowledge of the risks and despite a lack of experience. If the law does not function as intended, there is a strong tendency to withdraw or revise it, which happens in Anglo-Saxon countries such as the United Kingdom and the United States.

In Nordic countries, China, Singapore, and India, there are limited regulatory constraints. In cultures with low uncertainty aversion, only rules that are truly necessary exist, and they are faithfully followed. Basically, we believe that things can be done in many different ways so long as results are produced such that each employee can proceed with his/her own work, taking risks and not fearing failure in order to succeed. In these countries, a very different out-of-box thinking or a trial-and-error approach is recommended, even if it fails. Faced with uncertainty and ambiguity, they feel no anxiety or stress and are relaxed. They rely on the frontline to manage the rules and adapt the rules according to the situation.

Table 13. Key Differences between Societies with Weak and Strong Uncertainty Avoidance Index

WEAK UNCERTAINTY AVOIDANCE	STRONG UNCERTAINTY AVOIDANCE
Uncertainty is a normal feature of life, and each day is accepted as it comes.	The uncertainty inherent in life is a continuous threat that mus be fought.
Low stress and low anxiety	High stress and high anxiety
Aggression and emotions should not be shown.	Aggression and emotions may at proper times and places be vented.
In personality tests, highter scores on agreeableness	In personality tests, higher scores on neuroticism
Comfortable in ambiguous situations and with unfamiliar risks	Acceptance of familiar risks; fear of ambiguous situations and of unfamiliar risks
Lenient rules for children on what is dirty and taboo	Tight rules for children on what is dirty and taboo
Weak superegos developed	Strong superegos developed
Smilar modes of address for different others	Different modes of address for different others
What is different is curious.	What is different is dangerous.
Family life is relaxed.	Family life is stressful.
If country is affluent: satisfaction with family life.	If country is affluent: worried about cost of raising children.

Source: Hofstede, G. J. Hofstede, Minkov (2010)

(3) Impact on social systems

The tendency to avoid uncertainty affects societal rules, such as the legal system of the country concerned. Countries with strong aversion to uncertainty tend to have stricter legal systems than those with weak aversion. For example, Germany has prepared for ‘emergency legislation’ in anticipation of cases where laws cannot be enforced, and has been careful to devise measures beforehand to respond to unpredictable events. These characteristics are quite different from those of the United Kingdom. In countries where uncertainty aversion is weak (e.g. the United Kingdom), the idea that legislation should be withdrawn or amended if it does not function is accepted, and the attitude towards discipline differs in the first place.

Certainly, this dimension does not affect legislation on its own, and it is said to depend on the country’s level of individualism or collectivism. For example, in highly uncertain and individualistic countries, rules tend to be clearly co-cultured. This is because many individualistic countries are in a low-context communication environment (where few contexts are shared by the society) and therefore require clear-cut, documented provisions. Similarly, in countries where uncertainty aversion and collectivism are high (like Japan), the implicit component is large and the rules are not articulated. There is no need to articulate because of the high-context communication environment (which is often shared by the society).

As the uncertainty avoidance score does affect the form of underlying laws and regulations, innovation is often considered. In fact, both the United States, wherein Silicon Valley produces numerous global start-ups, and China, which has developed Shenzhen that is now a cashless city, has low uncertainty avoidance scores. If we consider innovation to be execution of ideas, then the ability to implement concepts in detail can be seen as one of the strengths of countries with low uncertainty.

(4) Impact on the front lines of business

Legislation, rules, and regulations exist to eliminate uncertainties in human societies. In societies that tend to avoid uncertainty, there are more rigorous systems than in countries that do not. However, because of the emotional need for rules, there are often no formalities at all. In any case, the reassurance that there are rules, even if they are not meaningful, is rarely understood in countries with lower uncertainty aversion, where it is believed that the problem can be solved without rules. It is here where the root of problems that may occur whenever a project is conducted overseas can be addressed. Let us now examine this in more detail.

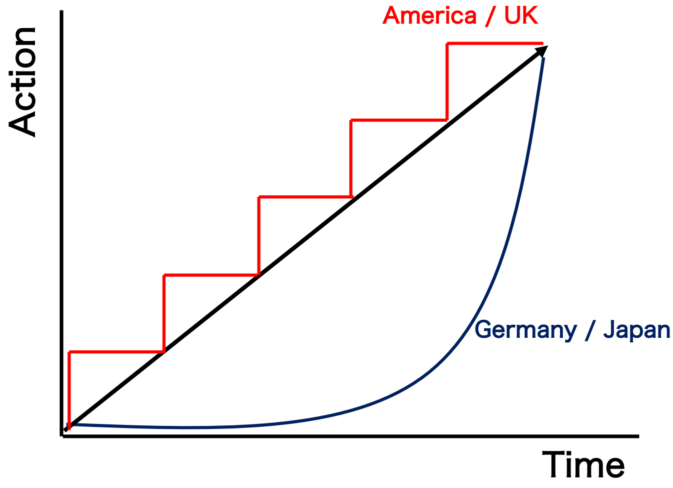


Figure 13. Differences in Project Management across Cultures

(Miyamori and Miyabayashi, 2019)

Figure 13 expresses corporate behaviour and the time horizon in the promotion of projects. Countries with low uncertainty avoidance tend to move ahead quickly by setting up detailed processes for goals in their projects and incorporating failures. In the United States, this concept is expressed in the term ‘lean start-up’, where the method of moving things forward while producing results in a short period of time is preferred. Meanwhile, in countries with high uncertainty avoidance such as Japan, there is a tendency to take time to coordinate views with various stakeholders (including root-based coordination—*nemawashi* in Japanese) and to proceed with things in a manner that does not fail as much as possible. Neither of these two approaches is superior. With many failures, the former approach is strengthened by the fact that things can be carried out with a sense of speed. The latter is strengthened by the fact that things can be carried out smoothly once they have been decided instead of taking time with a trial-and-error approach. It is desirable to consider approaches to projects in a way that suits the culture of each region. However, friction occurs when two people with different project management concepts try to move the project together. From the viewpoint of Americans, who prefer the lean start-up type, they favour people who coordinate opinions while taking their time, which may be viewed in Japan as having 'no leadership'. From the viewpoint of Japanese people, those who drive ahead without filling the details of the project could be judged as 'people who do not think enough'. Although there is no single correct path, it is common worldwide that people blindly believe their way is the right way and cannot compromise.

3.3.5. Short-Term/Long Term Orientation (LTO)

(1) Characteristics of a society with long-term orientation

Long-term oriented societies have an incentive to invest in education and learn from other countries in order to succeed in the future. In these societies, people work hard, persistently and patiently, even if it takes time to produce results, with a spirit that does not give up easily. No one will deny that this is a necessary element for success in business. Internal reserves are invested as seeds for the future.

Thinking from a long-term perspective, people believe that what is considered right or wrong changes from time to time and from situation to situation, and that there is not just one truth. Japan, Korea, Singapore, Hong Kong, Taiwan, and Japan, which are long-term oriented societies, have experienced rapid economic growth since the end of World War II. China has achieved remarkable development since opening up in 1978. In 1985, Germany's Volkswagen, a forerunner of foreign investment in China, was committed to the development of the automotive industry. Since then, China and Germany have built up business partnerships, and according to data from the German government, transactions between the two countries amounted to approximately 186.6 billion euros (US$ 2.3 thousand), making China the largest trading partner of Germany in 2016. The German Trade and Investment Organisation and the Federation of German Chambers of Commerce and Industry state that China's enormous economic zone concept, ‘One Belt One Road’, has brought enormous business opportunities to German companies.[7]

(1) Characteristics of Societies with short-term orientation

In a short-term-oriented society, people believe that efforts should quickly lead to results. There is pride in the home country; at the same time, there is a universal guide on what is good and what is bad, and people believe that there is only one truth. From the ninth to the fourteenth century, the Islamic world dominated Christian European countries, both in terms of military and science. In Islam, ‘Knowledge is a compilation of perpetual truths and can be acquired, aggregated, communicated, interpreted, and applied, but cannot be modified or transformed’. Moreover, innovation, as well as extremes, is considered bad. Since the 14th century, Islamic scholars have been ‘indifferent to what is happening elsewhere in the world, and “indifferent” to what is happening in the world.’ They regarded Christianity as a less familiar religion than what they practice, and they thought there was ‘nothing to learn’ about the modernisation of Europe through renaissance and religious reform (Lewis, 1957).

[7] https://www.dw.com/en/germany-and-china-trade-partners-and-competitors/a-43901890

‘There are only four countries in the world, developed and developing countries, and Japan and Argentina’, says Quznets, a U.S. economist and statistician who won the Nobel Prize for Economics in 1971. In the 1930s, Argentina was one of the richest countries in the world. However, in the aftermath of the Second World War, President Perron adopted a short-term popular policy in the face of alternating military regimes and even started the Falklands Conflict in order to uplift the people. As a result of these efforts, the nation repeatedly experienced ups and downs in the economy. The financial crisis of 2008 was successfully overcome, but despite the excellence of South America, another crisis is now taking place. This is because when the economy is on the upswing, there is a succession of big-ticket deals for the public. Middle Eastern and Latin American countries are both short-term oriented, and the United States, which created a post-Cold War ‘global standard’ economic regime, also has a short-term orientation.

According to the Focusing Capital Long Term (FCLT) Global Survey, 87% of the top management feel psychological pressure to perform well within two years, and 61% of the managers take cost-cutting measures, including restructuring, to avoid the risks of failing to meet quarterly targets. Moreover, 47% of the managers postpone their planned projects, even though they would lose value in the future. The pressure on U.S.

managers regarding short-term performance has increased significantly over the past five years. A study by the McKinsey Global Institute found that in the United States, companies with a long-term orientation, such as Amazon, Unilever, and AT & T, outperformed all other companies in terms of sales, earnings, economic profit, and market capitalisation. Also in the United States, the adverse effects of having too limited quarterly results are now being highlighted (Barton et al, 2016).

Table 14. Key Differences between Societies with Short- and Long-Term Orientation

SHORT-TERM ORIENTATION	LONG-TERM ORIENTATION
Social pressure toward spending	Thrift, being sparing with resources
Efforts should produce quick results.	Perserverance, sustained efforts toward slow results
Concern with social and status obiligations	Willingness to subordinate oneself for a purpose
Concern with "face"	Having a sense of shame
Respect for traditions	Respect for circumstances
Concern with personal stability	Concern with personal adaptiveness
Marriage is a moral arragement.	Marriage is a pragmatic arragement.
Living with in-law is a source of trouble.	Living with in-laws is normal.
Young women associate affection with a boyfriend.	Young women assoicate affection with a husband.
Humility is for women only.	Humility is for both men and women.
Old age is an unhappy period, but it starts late.	Old age is a happy period, and it starts early.
Preschool chi9ldrena can be cared for by others.	Mothers should have time for their preschool children.
Children get gifts for fun and love.	Children get gifts for education and development.
Source: Hofstede, G. J. Hofstede, Minkov (2010)	

(3) Background to the emergence of short-term vs. long-term orientation

Although the IBM survey was conducted on a global scale, Hofstede was concerned about the cultural constraints of his attitude as a Dutch researcher, specifically, the limitations brought about by the constraints of his questionnaire’s western orientation. In 1985, Hofstede collaborated with Michael Bond Co., Ltd., which conducted a survey on

Chinese values using a questionnaire prepared by a Chinese social scientist, and conducted a comparative research on the dimensions found in both surveys. We studied whether the dimensions found in the IBM survey were correlated with those found in the survey of Chinese values. Two very different studies have shown that the dimensions of power disparity, individualism–collectivism, and men–women orientation are correlated, and that the questionnaire is presented as a universal human challenge, whether western or eastern. The survey on Chinese values failed to find dimensions of uncertainty aversion. Given that the difference between high and low degrees of uncertainty aversion can explain the large difference between Japan and China, China's lack of a sense of value in avoiding ambiguity in the first place may have been very suggestive. Meanwhile, IBM's survey of Western questionnaires failed to find the short- and long-term orientation described in this chapter. This dimension highlights the difference in thinking between Far East Asia, which pursues virtues, and the West, which pursues the truth. Initially, 23 countries were included in the China Values Survey but later, Bulgarians were combined with scores from the World Values Survey by Michael Mincoff, co-author of the Multicultural World (Original Third Edition), enabling comparison among 93 countries from 2013.

(4) Impact on the front lines of business

In 1932, Konosuke Matsushita, the founder of Panasonic, announced the ambitious concept of achieving the following goal over a period of 250 years: ‘The true mission of Matsushita Electric is to supply goods to inexpensive reserves, like water, for the construction of *raku* soil in this world’. From this point on, the motivation of each and every employee who was made aware of the mission became a united force towards one goal, and they began to steadily and strongly progress into the future on the path to achieving the mission ‘like a train on a track’.[8]

In Japan, there are managers who speak about their vision with a view to 2010, 2020, and 100 years in the future. ‘We want to continue seeding 2010 or 2020 years ahead. We will invest in the future without giving top priority to immediate profits’. This was the comment of President Akio Toyota Motor Co., Ltd. at the earnings announcement on 10 May, 2017.[9]

‘*Yatte minahare*’—said Shinjiro Torii, the founder of Suntory—was well known as being conveyed to President Keizo Saji, the second president of the beer business when the company launched its beer business, but this business only posted an operating profit for

[8] Konosuke Matsushita's Shichi is the foundation of A Better Life, A Better World https://www.panasonic.com/jp/corporate/history/panasonic-museum/pdf/2014/PART1j-1.pdf
[9] Nikkei 11 May, 2017

the first time in 2009, 45 years after they launched it. In the past, Japanese companies were known for developing their businesses with a view to long-term success even at the expense of immediate profits, and this dimension seemed to be in conflict with U.S. management's approach, which requires quarterly results.

3.3.6. Indulgence versus restraint (IVR)

On 31 January 1990, McDonald's first store in the former Soviet Union opened in Pushikin Square to discuss the end of the Cold War. McDonald's, known for its friendly customer service, brought its American corporate culture to Russia. It educated its salespeople to show a McDonald's smile, revealing all of one’s teeth to welcome customers. However, after a while, McDonald's experts realised that customers were shocked by the salespeople’s smile. Customers felt unhappy, saying ‘why are these salespeople looking at us and approaching?’ Later, McDonald's conducted its own research and found that ‘Russians don't smile at anyone they don't know’. This is the story of Myasoedov (2003), a Russian managerial scientist and an expert in cross-cultural literature. What lies behind this phenomenon? This involves the sixth dimension, ‘How to enjoy life: Restraints and fulfilment’. This is a new dimension that was added starting from the 2013 edition of the Multicultural World by Bulgaria's Mincov. It attempts to clarify from a national culture perspective the following three points: (1) people's happiness, (2) control of life, and (3) the importance of leisure. Compared to other dimensions, there are still few cases, and verification is still underway.

(1) How to enjoy life: Indulgence vs. restraint

In a nutshell, this dimension shows whether the society is negative or positive. On one end of the pole is a society that is positive, happy, self-satisfying, spends money, and is free to indulge in fun activities. On the other end of the pole is a negative society, where people's behaviour is restricted and where wastage and immersion in one's own hobbies is bad. Minkov defined this dimension as consisting of a:

① Satisfaction/liberal society—a society where human beings are relatively free in seeking satisfaction for their basic and natural needs of savouring and enjoying life, and a

② Restrained society—a society characterised by the idea that demands should be contained and restricted by stringent social norms.

This dimension is a new concept that has not appeared in the academic literature but has since been analysed for correlations with various indicators in international comparative studies. A comparison with a study conducted by Peter Kuppens in Belgium on the frequency of emotional experience recall (i.e. how much one can recall positive and negative emotions in the past) found that people tend to recall positive emotions in a sufficiently satisfied society. Comparisons with the World Value Assessment Survey also show that a more fulfilling society feels that one's health is ‘better’, while comparisons with data from a U.S. public opinion polling company show that many people are pessimistic (and vice versa) in a constrained society.

Another Minkov study found that this dimension has a high explanatory power in predicting fertility rates, noting that people with a standard education in economically developed countries would not be willing to create children if they were not happy and healthy.

Table 15. Key Differences between Indulgent and Restrained Societies

INDULGENT	RESTRAINED
Higher percentages of very happy people	Lower percentages of very happy people
A perception of personal life control	A perception of helplessness: what happens to me is not my own doing
Higher importance of leisure	Lower importance of leisure
Higher importance of having friends	Lower importance of having friends
Thrift is not very important	Thrift is important
Loose society	Thight society
More likely to remember positive emotions	Less likely to remember positive emotions
Less moral discipline	Moral discipline
Positive attitude	Cynicism
More extroverted personalities	More neurotic personalities
Higher percentages of people who feel healthy	Lower percentages of people who feel healthy
Higher optimism	More pessimism
In countries with well-educated populations, higher birthrates	In countries with well-educated population, lower birthrates
Lower death rates from cardiovascular diseases	Higher death rates from cardiovascular diseases

Source: Hofstede, G. J. Hofstede, Minkov (2010)

(2) Impact on social systems

As can be seen in the earlier episode of McDonald's, cultural differences have a major impact on people's values in society. The most obvious manifestation is the behaviour of politicians and the political system. People in the United States expect politicians to publicly disclose their feelings of happiness and optimism. Facing a poker face is an NG, especially among electoral candidates, and exposing the public in front of the media is a good way to increase one’s likeability.

Meanwhile, how many times has Russian President Putin been seen smiling in photos? In contrast to former President Obama, who smiles while eating his favourite cheeseburger, Putin is a serious and decisive leader who has a solemn face and is supported by the public.

The very strong correlation between the World Value Survey and this dimension is said to represent the ratio of ‘advocacy of freedom of opinion’ that underlies democracy, which is the most important goal for the state. This ratio is extremely high in the Netherlands (36.6%) and is lowest in Russia (1.5%). Countries that do not emphasise ‘freedom of speech’ are restrained, and countries that emphasise this freedom are found to have a satisfactory society. In a highly constrained society, there are many police officers per capita, and this data should be considered in conjunction with the disparity in power. However, it is considered to be an index that can be used to predict whether or not authoritarian control is easy to accept.

3.4. Findings from Previous Literature

Up to this point, I have examined the processes, roles, and influencing factors that form the mission statement, and have summarised how the past literature has dealt with the relationship between institutional factors and organisations. In Chapter 2, I found that the mission statement is an effective management tool for unifying organisational identities globally. In Chapter 3, I examined the national culture model of Hofstede, drawing on culture (referred to in the institutional organisation theory) as an environmental factor that influences both the integration of employee values and organisational identity.

As we have seen from the reviews in Chapters 2 and 3, even if a mission statement is created in accordance with the values of entrepreneurs and top management, it is difficult for a company to form it without being affected by the embedded social system. In other words, in managing an organisation globally, it is important to restructure and reinterpret the existing mission statement while considering local cultures and values to integrate organisational identities. Based on these arguments and hypotheses, the next chapter considers solutions to the research question, ‘How does national culture influence the formation of organisational identity?’

Chapter 4.

Hypothesis

4.1. The Impact of National Culture on a Mission Statement

Russian economist Semenor (2000) argues that cultural scores, rather than any economic indicator, help explain the differences in organisational corporate governance. If the mission statement is an important management tool in forming the organisational identity, there may be some relationship with the cultural scores. In this regard, it has been proven in the literature that there are differences in the contents of mission statements among different cultures (Bartkus et al. 2004). It has been pointed out that the reasons for the differences are diversification by national culture, the accompanying differences in management styles (Bartlett and Ghoshal, 1987), and differences in governance mechanisms (Knight and Pretty, 2001). Moreover, as has been discussed so far, the national culture constrains not only people's actions but also the actions of nations and companies that form the collective body. The American sociologist Swidler (1986) states that 'behavioural strategies are cultural products', explaining that 'the handing down of symbolic events and myths in groups and societies, as well as the practice of rituals, shapes people's moods and motivations, and creates real-life assessment methods based on experiences, methods of controlling behaviour, and ways of creating social cohesion'. As discussed in Chapter 2, the formulation of a mission statement can be described as a process of consensus-building with various stakeholders, and this activity itself can be regarded as a kind of cultural product as pointed out by Swidler (1986). From a similar perspective, Hofstede (1984, 1991) argues that two cultural effects are inevitable in organisational management: power distance (PDI) and uncertainty avoidance (UAI). Here, PDI is defined as ‘the extent to which weak members predict and accept unequally distributed power in each country's systems and organisations’, and UAI is defined as ‘the extent to which weak members of a culture are threatened with ambiguous conditions’. The main reason for these impacts is that any organisation has to answer two questions for management: ① who is the decision maker (in relation to PDI); and ② what internal rules and procedures are required to achieve its goals (in relation to UAI). These differences directly affect the behaviour of the state and the company. In fact, Bartkus et al (2004) points out that there are clear regional differences in the contents of mission statements in Japan, the United States, and Europe, and that there may be cultural diversity in different countries. Similarly, Pearce and Roth (1988) argue that a company's values and beliefs are defined largely by culture, and that there are cultural differences in the phrases that motivate and inspire it. This is because national culture affects people’s values and the patterns of behaviour which relates to management in a company and how to do public relationship activity in a country. As such, an argument could be made that a relationship exists between national culture (which has an institutional impact on the very content of the mission statement) and the mission statement, which is a clearly written organisational identity (Figure 14). This leads to the following hypothesis:

H0: The mission statement is influenced by the national culture, and there are differences in its characteristics between countries.

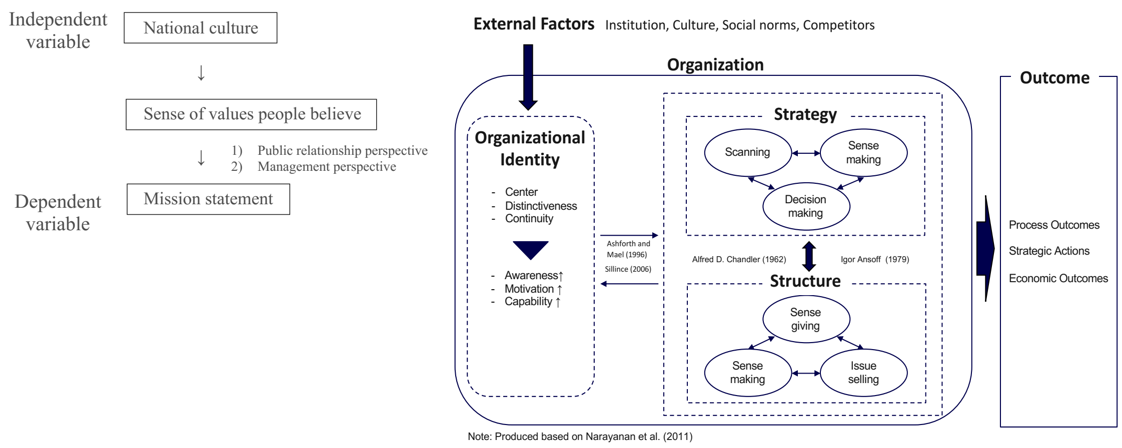


Figure 14. Analytical Framework

4.2. The Impact of Power Distance on a Mission Statement

What specific effects does the national culture have on the contents of a mission statement, and what differences do they produce? As explained in Chapter 3, countries with high PDI tend to have hierarchical and centralised structures. Here, a hierarchy is created within the organisation, and people at each level tend to give orders from top to bottom based on explicit authority. In this environment, it is said that employees tend to be more reliant on their supervisors and on people at higher levels, and they tend to be more likely to wait for instructions. This is because all employees need to be authorised and confirmed at each level, such that their decision-making scope is limited from the outset, and autonomous actions are likely to cause problems later on.

Meanwhile, countries with low PDI prefer flat organisational structures, basically promoting employees to become independent and more autonomous. In this type of society, it is basically considered that ‘inequalities in power are best without as much as possible’; thus, it is difficult to make people follow orders only by virtue of status or honour. In other words, rather than trying to force someone to do something using power, relationship building and the associated communication function are more effective in a society with a low PDI. Waldman et al (2006) insist that where power distance values and norms are less prominent, we might expect institutional pressure to guide managers to be good agents of the firm and look out for shareholder/owner interests when making decisions. Let us look at IKEA, a leading Swedish company with a low PDI. According to Helen Fan Rice, the president of IKEA Japan, the company has a long history of Swedish culture, and is actively promoting the creation of a flat organisation. For example, in IKEA, employees are referred to as ‘co-workers’, and there is a culture in which people refrain from saying or doing things that are reminiscent of hierarchical relationships.

Actually, Helen Fan Rice does not have a president's office, but does her work with other employees next to each other. Their mission statement also gives an individual message not only to customers but also to various stakeholders, including employees, suppliers, and society as a whole. By contrast, Waldman et al (2006) argue that managers in cultures with high power distance values may be less concerned with the shareholders'/owners' needs than with their own. This argument leads to the following hypothesis:

H1: In countries where PDI is low, there is a tendency to send messages in line with a mission statement about 'building good relationships with stakeholders'

Hofstede (1980) points out that in flat structures with relatively low PDIs employees tend to move autonomously, while organisational movements tend to be difficult to establish. For example, the PDI score of the United States is 40, which is relatively low. In this social environment, subordinates are sufficiently self-reliant, and it is a prerequisite that they be capable of negotiating with their superiors based on their own working conditions. This is why it is important for leaders to have 'influence' to communicate well with their subordinates and motivate them to have good relationships with them (Miyamori and Miyabayashi, 2019). Looking at IKEA's case studies, it can be seen that to bring employees together, IKEA implements measures for internal communications to promote this influence globally. Specifically, the first thing to do is to clarify the vision and values of the company. This is not only discussed in the company's website but also in actual stores as part of the content called ‘That's why’. IKEA carefully explains specific measures to realise its vision. This is thought to be the intention when guiding employees not only with respect to customers, but also to unify the awareness of employees.

In contrast to a society with a flat organisational structure such as IKEA in Sweden, in a stratified society with a high PDI such as Russia, according to Rosten (1991), power in organisations is concentrated in the hands of the general director, with middle managers having little influence in the decision-making process. In this type of society, it would be more socially desirable to exercise authoritative leadership on each individual to control people. These discussions lead us to the following hypotheses:

H2: In countries where PDI is low, there is a tendency to lead employees with a ‘clear vision’ in the mission statement.

H3: In countries where PDI is high, there is a tendency to use the mission statement to operate ‘control mechanisms’ within the organisation.

4.3. The Impact of Uncertainty Avoidance on a Mission Statement

The impact of UAI on a mission statement is also examined. According to Hofstede

(1980), countries with high UAI tend to feel stressed in an uncertain future, spend a lot of time in preliminary review meetings to avoid it, and try to create various rules. The major sentiment in such a society is that rather than thinking about something before it happens, it is best to avoid anxiety by setting rules that address all potential obstacles and arrangements in the event of a violation. Meanwhile, in countries with low UAI, there is a tendency to emphasise speed and flexibility with a mind-set of 'try first'. It can be said that in such a society it is considered that it is better to have as few rules as possible and that when some trouble occurs, it is better to solve it through discussion. As pointed out in Chapter 3, the difference between these two types of societies is largely reflected in the way projects are managed (Miyamori and Miyabayashi, 2019). For example, societies with low UAI promptly pursue projects with a short-term scope. It is assumed that some conflict will occur, and adjustments will be made on a case-by-case basis to move towards the goal in a step-by-step fashion. Meanwhile, in a society where there is high tendency to avoid uncertainty, anticipated problems are avoided by addressing them in advance and the approval of all stakeholders are obtained. Consequently, in this society, while it takes a lot of time to coordinate through careful dialogue with all stakeholders, once the interests of the stakeholders have been adjusted, there is a sudden move towards the goal. Differences in UAI clearly affect the way in which consensus is formed in a society.

Geletkanycz (1997) relates uncertainty avoidance to lower entrepreneurial activity in societies (Geletkanycz, 1997, p. 620). It can be argued that UAI is related to the social or stakeholder orientation of a society because new challenges that may conflict with vested interests would not be acceptable without prior consultation with important stakeholders in a society with high UAI. The above discussion leads to the following hypothesis:

H4: In countries where UAI is high, there is a tendency to send messages in line with a mission statement about 'building good relationships with stakeholders'.

The next chapter first examines to what extent differences in mission statements exist in areas with different culture, and if there is a difference, it is further investigated whether the cultural effects listed in H1-4 are statistically visible.

Chapter 5.

Empirical Studies

5.1. Study 1: Comparison of mission statements by country

5.1.1. Data

To verify differences in mission statements, a sample of mission statements corresponding to four different cultures (those of the United States, China, Japan, and Germany) was selected based on Hofstede's theory. A total of 121 companies (about 30 companies per country) from these four countries were collected online. The top 30 companies from each country were selected from the Global Fortune 500 (2017) on the condition that 1) the number of employees is at least 500; 2) the companies have a certain degree of success; and 3) the companies are profit-making. These conditions are necessary to allow controlling for variables relating to: ① the size of the company (the number of employees, market capitalisation, and the number of years since its establishment to meet the conditions of the comparator company as much as possible, ② successful companies (to consider the most likely use of organisational management techniques such as vision and mission), and ③ the impact of industry culture (to reduce the influence of industry culture by focusing on listed companies). The methods used to collect the mission statements are as follows (Ju-Pak, 1999). These methods have been used in the analysis of communication contents. For companies whose mission statements were not easily found in their website, the company's 'About Us' or equivalent pages were accessed or search engines were used to find statements that contain specified words. To ensure objectivity, certain keywords were established in advance based on previous research methods (Bart, 1997a; Table 17).

Table 16. Top companies in each country from the Global Fortune 500 (2017)

US

1	Walmart	11	AmerisourceBergen	21	JP Morgan Chase
2	Berkshire Hathaway	12	Amazon.com	22	Express Scripts Holding
3	Apple	13	General Electric	23	Home Depot
4	Exxon Mobil	14	Verizon	24	Boeing
5	McKesson	15	Cardinal Health	25	Wells Fargo
6	UnitedHealth Group	16	Costco	26	Bank of America Corp.
7	CVS Health	17	Walgreens	27	Alphabet
8	General Motors	18	Kroger	28	Microsoft
9	AT&T	19	Chevron	29	Anthem
10	Ford Motor	20	Fannie Mae	30	Citigroup

Japan

1	Toyota Motor	11	Nippon Life Insurance	21	Sumitomo Mitsui FG
2	Honda Motor	12	Marubeni	22	Itochu
3	Japan Post Holdings	13	JX Holdings	23	KDDI
4	Nissan Motor	14	Dai-ichi Life Insurance	24	Nippon Steel & Sumitomo Metal
5	NTT	15	Mitsubishi Corp.	25	Denso
6	Hitachi	16	Mitsubishi UFJ Financial G	26	Fujitsu
7	SoftBank Group	17	Seven & I Holdings	27	Sumitomo Life Insurance
8	AEON	18	Tokyo Electric Power	28	Mitsui
9	Sony	19	MS&AD Insurance	29	Mitsubishi Electric
10	Panasonic	20	Tokio Marine Holdings	30	Sumitomo

German

1	Volkswagen	11	Metro	21	Talanx
2	Daimler	12	BASF	22	Lufthansa Group
3	Allianz	13	Bayer	23	Edeka Zentrale
4	BMW	14	Deutsche Bank	24	DZ Bank
5	Siemens	15	RWE	25	Fresenius
6	Bosch	16	Deutsche Bahn	26	Phoenix Pharmahandel
7	Deutsche Telekom	17	Continental	27	SAP
8	Uniper	18	ThyssenKrupp	28	Heraeus Holding
9	Munich Re	19	E.ON	29	TUI
10	Deutsche Post	20	ZF Friedrichshafen		

China

1	State Grid	11	China Mobile Communications	21	China Communications Construction	31	Alibaba
2	Sinopec Group	12	China Life Insurance	22	People's Insurance Co. of China	32	Tencent
3	China National Petroleum	13	China Railway Engineering	23	China National Offshore Oil		
4	I & C Bank of China	14	China Railway Construction	24	China Post Group		
5	China State Construction E	15	Dongfeng Motor Group	25	China Minmetals		
6	China Construction Bank	16	Huawei Investment & Hld	26	China FAW Group		
7	Agricultural Bank of China	17	China Resources National	27	Tewoo Group		
8	Ping An Insurance	18	Pacific Construction G.	28	China Telecommunications		
9	SAIC Motor	19	China Southern Power Grid	29	China North Industries		
10	Bank of China	20	China South Industries G	30	COFCO		

5.1.2. Method

To analyse the contents of the mission statements, they were scored in the following three aspects based on the content analysis approach of Bartkus et al (2004): (1) reference to stakeholders (customers, employees, investors, partners, and society), (2) reference to the components of the mission statement (features such as the place, business domains, and markets; focus of the mission statement—clear competitive advantage, innovation, future direction, financial goals, and motivation), (3) use of the corporate mission statement as a tool for setting targets (e.g. vision, control mechanisms, support for voluntary decision-making, motivation of employees, and building good relationships with stakeholders). The results were used as dependent variables in the study. Statistical differences were verified through logistic regressions (IBM SPSS Statistics version 26) using dummy variables (CT1, the United States; CT2, Germany; CT3, China) against Japan.

5.1.3. Results and Discussion

There are five major stakeholders: the customers, employees, investors, partners, and society. Out of these five stakeholders, customers (83.0% on average) were the most cited. Among all stakeholders, Japan made the largest reference to society, at 96.6%. China and Germany cited employees more than any other country.

Next, Table 21, which examines the components of the mission statement of each country, reveals that Japan did not clearly define the business domain (industry) compared with other countries (79.2% in the United States, 58.6% in Japan, 88.5% in China, and 85.7% in Germany). This is consistent with the result (48.3%) that Japanese corporations do not clearly show their vision of the future (i.e. future orientation), as compared with other countries. It is also apparent that while the United States and Germany use the phrase ‘becoming an outstanding presence’ to motivate employees, Japan tends to use the phrase ‘contributing to society’.

Next, regarding utilisation as a goal-setting tool, the characteristics of target-setting by country (Table 4) were analysed. The results reveal that Japanese companies do not show the direction of the company as compared with other countries (48.3%), and use expressions that exercise control mechanisms (44.8%) less often. Meanwhile, the United States and Germany have very strong tendency to use control mechanisms (75% and 71.4%, respectively). Most companies in almost all countries aim to motivate their employees, and Japan and China focus on maintaining good relationships with all stakeholders, especially when compared with other countries.

Table 17. Comparison of Mission Statements by Country and Keywords

		Components of Mission Statement	US	JP	CH	GER	平均	Keywords
	0	Presence of Misson Statement	80.0%	96.7%	81.3%	72.4%	83.3%	"mission", "vision", "credo", "principles", "purpose", "goals" "DNA", "Commitment", "way", 理念, 社是, 使命
(1)Stakeholder	1	Customers	79.2%	93.1%	76.9%	81.0%	83.0%	"customers", "clients", "consumers"
	2	Employees	45.8%	69.0%	73.1%	76.2%	66.0%	"employees", "our people", "workforce"
	3	Investors	25.0%	17.2%	38.5%	28.6%	27.0%	"shareholders", "investors"
	4	Suppliers	20.8%	37.9%	26.9%	33.3%	30.0%	"partners", "suppliers"
	5	Society	70.8%	96.6%	76.9%	38.1%	73.0%	"society", "community", "world", "global", "social goals", "environment", "national economies", " quality of life", "country"
(2)Content	6	Industry	79.2%	58.6%	88.5%	85.7%	77.0%	standard industry names such as finance, steel, oil, or automotive
	7	Product&Service	62.5%	24.1%	19.2%	61.9%	40.0%	specific product or service
	8	Geographic Markets	75.0%	72.4%	50.0%	71.4%	67.0%	"worldwide", "Asia", "Europe", any specific region
	9	Values/Philosophy	79.2%	86.2%	73.1%	81.0%	80.0%	"fair" "integrity" "wellbeing" "harmony" "honesty" "responsibly"
	10	Distincitve Competence	66.7%	65.5%	61.5%	66.7%	65.0%	business level strategy; competitive strengths and capabilities such as "low cost" "high quality" "efficient""excellent service"
	11	Innovation	45.8%	48.3%	61.5%	71.4%	56.0%	commitment to innovation, revolution, 変革, 創造, 革新
	12	Future Orientation	70.8%	48.3%	76.9%	66.7%	65.0%	"to be" "will be" "future" "create" "dedicate" "anticipated" or specific future year
	13	Financial Objective	41.7%	41.4%	46.2%	66.7%	48.0%	"create value" "growth" "profit" "return" "financial strength" "financial perfromance" "development"
	14	Motivational Message (excellence)	66.7%	51.7%	57.7%	71.4%	61.0%	"leading" "best" "outstanding" "top"
	15	Motivational Message (societal benefit)	50.0%	86.2%	50.0%	47.6%	60.0%	"society" "community" "nation" "giving back" "social responsibilities"
	16	Motivational Message (excel or social)	83.3%	100.0%	88.5%	90.5%	91.0%	
(3)Management Objectives	17	Sense of a direction	70.8%	48.3%	76.9%	66.7%	65.0%	12) Future Orientation
	18	Control Mechanism	75.0%	65.5%	65.4%	71.4%	69.0%	Including at least three of 1, 6, 8, 10
	19	Help in making non-routine decisions	79.2%	86.2%	73.1%	81.0%	80.0%	9) Values/Philosophy
	20	Motivate employees	83.3%	100.0%	88.5%	90.5%	91.0%	16) Motivational Message (excellence or societal benefit)
	21	Stakeholders Relationship	41.7%	69.0%	65.4%	57.1%	59.0%	Including at least three of all stakeholders from 1 to 5

Finally, when based on Japan, statistical differences were observed in the following items (Table 18): 1. Customer, 2. Employees, 5. Society, 7. Products & Service, 9. Value & Philosophy, 15. Motivational Message (social benefit) 16. Motivational Message (excel or social), 20. Motivate employees, and 21. Stakeholder Relationship. These results cannot confirm the initially assumed impact of national culture on ‘the control mechanism (including presentation of future vision)’ and ‘the business domain’. Thus H2 and H3 were rejected, and the impact of culture was measured by focusing on the other three hypotheses, H0/H1/H4.

Table 18. Results of the Logistic Regression Analysis

Stakeholder

Dependent variables	1. Customer	2. Employees	3. Investors	4. Suppliers	5. Society
			Model 1		
CT1 (US)	-1.651 (0.717)*	-1.240 (0.542)*	0.223 (0.670)	-1.063 (0.619)	-2.371 (0.819)**
CT2 (Germany)	-1.849 (0.716)*	-0.486 (0.538)	0.266 (0.671)	-0.599 (0.576)	-3.604 (0.842)**
CT3 (China)	-1.686 (0.710)*	-0.314 (0.314)	0.821 (0.621)	-0.726 (0.571)	-2.128 (0.818)**
x^2	9.987*	5.999	2.090	3.395	30.287**
-2LL	140.611	160.742	126.377	132.138	132.252
Hosmer and Lemeshow	0.000	0.000	0.000	0.000	0.000
Nagelkerke R^2	0.111	0.065	0.026	0.041	0.300
N	121	121	121	121	121

Notes: Robust standard errors are in parentheses.
* p<.05 ** p<.01

Content

Dependent variables	6. Industry	7. Product & Service	8. Geographic Markets	9. Values/Philosophy	10. Distinctive Competence	11. Innovation	12. Future Orientatior	13. Financial Objective	14. Motivational Message (excellence)	15. Motivational Message (social benefit)	16. Motivational Message (excel or social)
						Model 1					
CT1 (US)	0.547 (0.526)	1.190 (0.565)*	0.137 (0.524)	-1.063 (0.619)	0.402 (0.519)	-0.413 (0.527)	0.402 (0.519)	-0.288 (0.537)	0.134 (0.517)	-2.015 (0.616)**	-2.674 (1.088)*
CT2 (Germany)	0.492 (0.529)	0.982 (0.571)	-0.199 (0.523)	-1.261 (0.618)*	0.199 (0.523)	0.203 (0.522)	0.065 (0.522)	0.336 (0.526)	0.069 (0.521)	-2.251 (0.627)**	-2.725 (1.090)*
CT3 (China)	0.938 (0.537)	-0.497 (0.651)	-0.648 (0.515)	-1.230 (0.608)*	0.268 (0.511)	0.134 (0.509)	0.644 (0.517)	-0.105 (0.522)	-0.125 (0.509)	-1.989 (0.608)**	-2.429 (1.090)*
x^2	3.184	11.756**	2.703	5.915	0.628	1.657	2.054	1.459	0.285	19.726**	13.186**
-2LL	157.539	141.814	164.832	149.029	167.039	165.414	165.017	161.080	167.449	148.007	122.347
Hosmer and Lemeshow	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Nagelkerke R^2	0.035	0.129	0.029	0.066	0.007	0.018	0.022	0.016	0.003	0.201	0.153
N	121	121	121	121	121	121	121	121	121	121	121

Notes: Robust standard errors are in parentheses.
* p<.05 ** p<.01

Management Objective

Dependent variables	17. Sense of a direction	18. Control Mechanism	19. Help in making non-routine decisions	20. Motivate employees	21. Stakeholder Relationshi
			Model 1		
CT1 (US)	0.402 (0.519)	0.674 (0.524)	-1.063 (0.619)	-2.674 (1.088)*	-1.386 (0.548)*
CT2 (Germany)	0.065 (0.522)	0.337 (0.523)	-1.261 (0.618)	-2.725 (1.090)*	-1.041 (0.541)
CT3 (China)	0.644 (0.517)	0.393 (0.511)	-1.230 (0.608)	-2.429 (1.090)*	-0.568 (0.525)
x^2	2.054	1.696	5.915	13.186**	7.713
-2LL	165.017	165.839	149.029	122.347	159.954
Hosmer and Lemeshow	0.000	0.000	0.000	0.000	0.000
Nagelkerke R^2	0.022	0.019	0.066	0.153	0.082
N	121	121	121	121	121

Notes: Robust standard errors are in parentheses.
* p<.05 ** p<.01

5.2. Study 2: Measuring Cultural Impact

5.2.1. Data

This analysis used the 121 mission statements collected in Study 1 and the PDI and UAI scores from Hofstede's study (Table 18).

Table 19. Comparison by Cultural Scores

	PDI	IDV	MAS	UAI	LTO	IVR
US	40	91	62	46	26	68
Japan	54	46	95	92	88	42
China	80	20	66	30	87	24
Germany	35	67	66	65	83	40

5.2.2. Method

Each country's national culture score (PDI/UAI) is used as the independent variable, while the dependent variable takes the value of 0 (1) if management objectives in the mission statement are achieved (not achieved). By examining the relationship between these two variables, it is verified whether the influence of the national culture extends to the contents of the mission statement, which is the basis of organisational identity. From Study 1, there was a statistical difference in two items: 20) Motivate employees and 21) Stakeholder relationship. Since stakeholder relationship represents a larger concept of stakeholder management, which includes the control of employees' motivation, we focus on 21) Stakeholder relationship. As a control variable this time, the company history, number of employees, and market capitalisation were used considering the size of the company and the influence of its history. Next, to verify whether PDI/UAI cultural factors have an impact on stakeholder relationship, two dependent variables were set as follows: 1—'willingness to build good relations' if there are more than three of the five stakeholders (customers, employees, investors, partners, and society) in the mission statement contents, and 0—'unwillingness to build good relations' if there are less than three. Statistical analyses used a forced-input approach to examine the impact of PDI/UAI on the willingness to build good relationships with stakeholders.

5.2.3. Result

The results show that the odds ratios (confidence intervals) for PDI and UAI are 1.025 (1.001–1.050) and 1.027 (1.007–1.047), respectively, and both have positive effects on 'building good relations with stakeholders.' The results of the Hosmer–Lemeshow test are insignificant, with $p = 0.992$, indicating that the results are well suited to the models. As a result, the impact of PDI / UAI was confirmed, thereby supporting H0/H1/H4.

This study examines the influence of national culture by using PDI/UAI as an independent variable and examining the degree of influence on the mission statement component of each country. Opposite to the results anticipated in H1, the higher the

PDI, the more likely it is to send a message that considers ‘building good relations with stakeholders’. In this regard, Waldman et al (2006) points out that in high-PDI environments, there is an obligation to respond to social demands and larger social objectives. In other words, those in leadership positions in societies with high PDI may feel that they have an obligation to send a message to stakeholders in the society and at each level, and this can be interpreted as responding in the mission statement.

In the case of high-level UAI organisations, it is also an effective coordinating practice to refer to this in the mission statement because it takes a great deal of time to coordinate the opinions of relevant stakeholders in order to form a consensus. From the results of this study, it can be inferred that the mission statement that is more acceptable to society has been formulated in a way that reflects such national culture, and it seems to have a certain degree of validity. Meanwhile, there was no significant difference in the influence of national culture on items other than the relationship with stakeholders. This survey covers listed companies, which are required to engage in dialogues with markets and institutional investors. It is presumed that this is the result of actions that the institutional theory (Meyer and Rowan, 1977) points out as being appropriate for a company.

Table 20. Descriptive Statistics and Correlation

	Mean	*s.d.*	*Min*	*Max*	*1*	*2*	*3*	*4*	*5*	*6*
1 Age of enterprise	68.26	50.966	2	260	1.00					
2 # of employees	226505.9	280831.7	7000	2300000	-0.08	1.00				
3 Market Capitalization	423042	768386.1	4982	3473238	-0.073	0.108	1.00			
4 PDI	52.85	17.753	35	80	-0.296**	0.191*	0.120	1.00		
5 UAI	57.73	23.363	30	92	0.288**	-0.289**	-0.119	-0.445**	1.00	
6 SR	0.49	0.502	0	1	-0.047	0.101	0.143	0.133	0.131	1.00

Note: Mean categories for dummy variables show the proportion of cases in the category c * p<.05 ** p<.01

SR (Social Relationship): Relation building with stakeholders

Table 21. Results of the Logistic Multiple Regression Analysis

Dependent variables	Build good relationships with stakeholders Model 1
Control variables	
Age of enterprise	0.000 (0.000)
# of employees	-0.002 (0.004)
Market Capitalization	0.000 (0.000)
PDI	0.025 (0.012)*
UAI	0.027 (0.010)**
x^2	12.552*
-2LL	155.115
Hosmer and Lemeshow	1.547
Nagelkerke R^2	0.131
N	121

Notes: Robust standard errors are in parentheses.

* p<.05 ** p<.01

Chapter 6.

Conclusion

6.1. Discussion

What I found through a comparison of mission statements across countries is that first, they have many similarities in terms of the stakeholders, components, and objectives that are cited. In other words, the mission statement can be used as a common global basis (e.g. capitalist market), without necessarily incorporating cultural differences among countries.

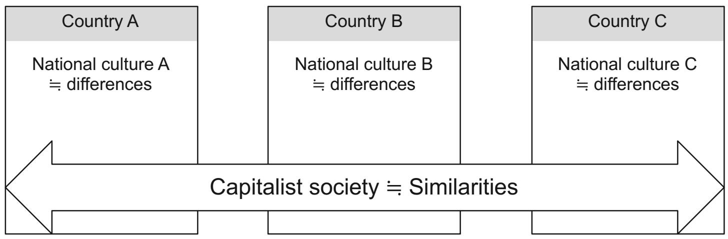


Figure 15. Institutional Factors Creating Differences and Similarities

This is likely because many global companies operate on a common global platform of capitalist markets, rather than on social norms specific to each country. In fact, Pearce and Roth (1988) explain that mission statements are similar because many companies are trying to inform the same stakeholders. For example, Bart (1997), in his survey of the mission statements of 88 companies, find that 78% referred to customers, 52% to employees, 41% to investors, 33% to society as a whole, and 21% to partner companies (suppliers). In addition, according to Knight and Pretty (2001), many

European firms seek equity investors outside Europe. In such an environment, it can be imagined that many companies in any industry would consider expressions based on the same objectives and targets of communication when creating the mission statement. In addition, as companies in many countries tend to follow U.S. business models, mission statement themselves are said to have similar characteristics (Guyon and Hjelt, 2001). As can be seen from the qualitative interviews in Chapter 2, IPOs are a major goal of unlisted companies in particular, and they are also highly credible because many companies use the mission statement of their competitors as a reference. In addition, from the viewpoint of institutional theory (Meyer and Rowan, 1977), companies try to obtain justification; thus, there is a tendency to learn from industry leaders when formulating the mission statement. As such, even across national borders, the mission statement seems to have many similarities.

Moreover, the influence of national culture has been observed in the aspect of 'building good relations with stakeholders', and management policies that ignore this influence may cause various problems in business operations. In particular, in order for a global company to have a single mission that unifies the mind-set of its employees worldwide and to function as an organisation with a common organisational identity, it needs to devise ways to instil this awareness in a way that is consistent with local values. For example, Suntory communicates its brand slogan ‘Water and Living’ to group companies worldwide without translating the slogan (Figure 16). This enables local employees to actively interpret and understand the meaning of the slogan because cultural differences often run the risk of creating equivocality in the interpretation of words and messages. This is one example of a policy, but how to incorporate the mission and vision into the specific cultural context of each region is a challenge for all global corporations.

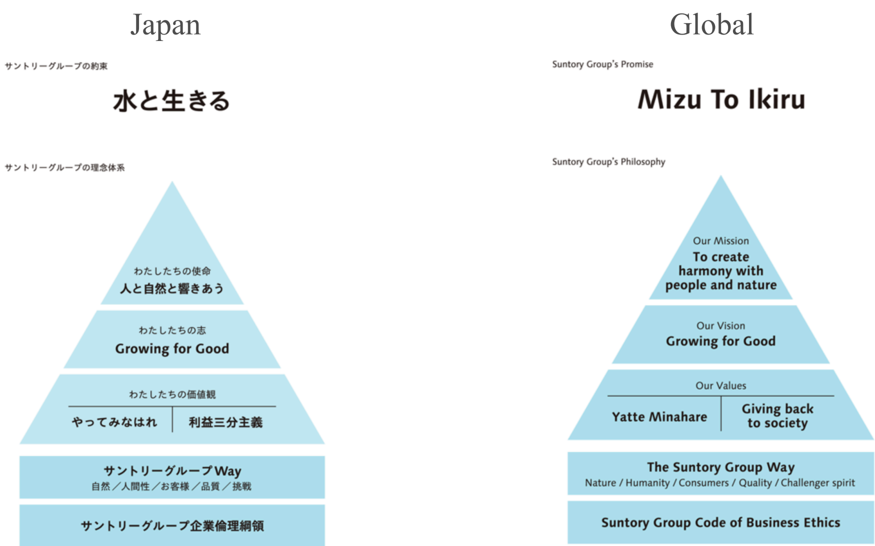


Figure 16. Mission Statement of Suntory, both Local and Global

6.2. Limitations and Future Direction

In this study, the contents of mission statements were used as data to quantitatively express organisational identity. However, organisational identity is a shared cognition of organisational members, and it is not the same as the mission statement that a company originally has. To treat them in the same way, it is essential that the mission statement permeates the organisation 100%, and that the content of the mission statement is shared and recognised by all members of the organisation. However, in reality, the penetration rate is not so high, which should be considered as a limitation of the survey. In addition, we were not able to conduct quantitative verification that takes into account the degree of impact of the industry's culture. Just as national culture puts pressure on homogenisation, there may be different homogenisation pressures across the industries in which an organisation operates, which could have some impact.

Since national culture is an institutional premise that encompasses everything, it has not been discussed as an element that explains the activities of a single company. However, now that the scope of a firm's activities has expanded globally, the boundaries of theory have to be broadened as well. As a theoretical contribution of this research, the mission statement has been considered as part of the organisational identity. This is one of the few studies that quantitatively analyse the impact of culture on organisational identity. From a practical perspective, it was suggested that it is essential from a long-term perspective to consider international expansion while paying attention not only to hard aspects, such as remuneration systems and personnel evaluation systems, but also to soft aspects, such as the impact of local national culture, on the organisational behaviour of the company. Looking ahead, I will continue to examine other hypotheses that were not found to be statistically significant, using a sufficient sample size, so that global competitors can conduct corporate branding and organisational management that use the mission statement effectively. In addition, one of the possibilities that this study sheds light on is that cultural differences increase the equivocality of the organisation to the extent that they allow employees for different interpretations of management messages. This finding is likely to be closely linked to other research topics such as sense-making and emotion management. In the future, I would like to tackle other topics such as the power of the organisation through empathy and conviction among employees.

6.3. Managerial Implications

Finally, based on the findings obtained through this research paper, I would like to provide some insights into the points that are considered important for management and the managers who lead in the field.

The first learning is the importance of understanding the process of forming an organisational identity. As we have seen in Chapter 2, organisational identity is created through vision and dialogue. The members of the organisation do not blindly believe in a given vision, but rather create their own answers to the question "Who are we?" through rebellion, arguments, and conflicts with the vision of what the organisation should be. In other words, it can be said that the mission and management vision have a very important role as the first trigger for shaping a unified organisational identity. Understanding this mechanism is essential for the managers of global companies who are in a position to unite diverse businesses and lead them in a single direction. For example, Kazuo Hirai, who is said to be the driving force behind Sony's turnaround, is asked "What kind of company do you think Sony is ?" by the reporter of Nikkei Shimbun[10]. He answered to the question, “It's an Kando (inspiring) company. It's a company that delivers excitement to consumers in electronics, finance and entertainment.” According to the analysis by Iriyama (2019), “Prior to Hirai's appointment, Sony was polysemous about 'what kind of company is Sony' and 'what is Sony-like'. Mr. Hirai chose the phrase "delivering Kando (inspiring)" and summarized the reasons for having a diverse range of business domains in a story.” The willingness to demonstrate a vision as a manager and unify an organisational identity while engaging in dialogue with internal and external stakeholders is likely to become increasingly important.

The second learning is the importance of understanding the equivocality that culture

[10] Nihon Keizai Shimbun Online (23rd May,2017)

creates. This study shows that the influence of culture increases the equivocality of the organisation and that there is a risk of various interpretations of the mission statements from employees and market participants. The content of the mission statement that resonates with internal and external stakeholders shows the influence of the external environment, especially culture. For this reason, it is important to use words and messages that take into account the national culture and the management stance that embodies it, in order to permeate the mission statement into the organisation and create a positive corporate image among customers, partners, and other stakeholders. Otherwise, the equivocality of an organisation can quickly disrupt its members' ability to follow in footsteps and lead to poor organisational performance. Knowing the influence of national culture and managing it with consideration for its context reduces the equivocality of interpretation of the message that management wants to convey. This seems to be the way to approach improving the performance of the company by aligning the organisation with the empathy and conviction of local leaders and employees. Weick (2005) explains the utility of such consensus building with organisational constituents, giving the concept of "sense-making" as follows; "Diverse as these situation may seem, efforts are made to construct a plausible sense of what is happening, and this sense of plausibility normalizes the breach, restores the expectation, and enables projects to continue (Weick et al., 2005,

p. 414).” ; “The concept of sense making suggests that plausibility rather than accuracy is the ongoing Standard that guides learning (Weick et al., 2005, p. 419.).” In other words, the more sense-making an organisation is, the easier it is to overcome an uncertain environment. Namely, consideration for employees’ emotions, such as empathy and plausibility, can be a source of corporate competitiveness even in the constantly changing environment known as a volatility, uncertainty, complexity, and ambiguity (VUCA).

In summary, the qualities of a global leader that have emerged through this study can be considered as follows; It is essential to understand the process of unifying organisational identity across cultural differences, and to have the ability of vision, process design, and storytelling to bind the members of the organisation.

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