

# Japanese managerial behavior in strategic planning Case analyses in global business contexts

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## Abstract

Although globalization urges corporations worldwide to pursue economic efficiency, culturally induced differences in corporate behavior persist in a globalized business world. This paper explores the behavior of Japanese corporations in this context. Interviews were conducted to investigate the internal decision-making process in major Japanese firms. Their outcome provides the basis for the following hypothesis: A unique characteristic of Japanese companies, which can be different from that of Western firms, is that they have similar managerial behavior with other Japanese companies in the same industry. The collectivity culture exists behind it. This hypothesis is attested by case analyses of historical events of two Japanese industries in the global market in the past half century. Japanese firms in the automotive and electronic industries exhibited similar behavior in their entries to foreign markets either in marketing or production.

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*Keywords:* Behavior; Culture; Collectivity; Globalization; Management; Japan

## 1. Introduction

Although globalization intensifies corporations' pursuit of economic efficiency, differences in corporate behavior induced by cultural factors cannot easily be changed and continue to affect the strategic planning of the world's large corporations. A comprehensive understanding of strategic behavior requires to identify the mechanisms that combine economic and cultural factors and influence corporate strategic behavior. This paper focuses on the relationships between the cultural factor and corporate behavior. In order to widen the perspectives of this discussion, the cases of Japanese corporations (otherwise), which can be influenced by a culture different from the Western one, will be analyzed in this paper. Although this discussion basically covers the whole scope of their behavior, the examination will be conducted in the global aspect of such behavior by analyzing their historical events. This analysis will eventually reveal the driving forces behind the Japanese economic expansion in the world market in the past half century.

## 2. Methodology

The results reported in this paper were developed in two phases. In the first phase, the author interviewed persons who are or used to be involved in the major decision-making processes in nine leading firms in electronics, automotive, cosmetics and food industries in Japan. A common pattern about the internal decision-making process of Japanese corporations emerged from these interviews. This heuristically obtained outcome suggests the hypothesis regarding the Japanese behavior in strategic planning. In the second phase, this hypothesis is examined by analyzing the historical events characterizing Japanese corporations' behavior in the global market.

## 3. Outcome of the interviews

### *3.1. Interviews and their outcomes: similar managerial behavior*

The interviews began with the author's question as to whether or not the internal decision-making processes in their companies were influenced by similar decisions of the peer firms in the same industry. The author then

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