

# International aspect and value congruence



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If to compare employer/employee value congruence on the international level, e. g. on the examples of American and Japanese models of behavior, we find certain differences. There are many evidences to the fact that pay and valence for pay matter a lot for the Americans (Churchill and Pecotich, 1984, suggested money being the paramount motivator of the U.

S. salespeople), while their colleagues in Japan put more stress on value congruence. The latter influences strongly on job satisfaction for the Japanese sales representatives.

Basing on the research data of two countries, Johnny K. Johansson and Ikujiro Nonaka drew a conclusion that “ financial incentives are crucial in the United States, and [] closer supervision and corporate culture will be more useful sales management tools in Japan”.

Most U. S. firms combine salary and commission to motivate employees (sales representatives), the ratio between the two components often varies from year to year, depending on management policy and environmental changes. Alternatively, Japanese firms practice straight salary to motivate the staff.

Both Japanese and U. S.

firms also include bonuses as part of compensation packages. However, for the reasons of hierarchy Japanese employers measure the rates of compensation packages as well as promotions, raises and total compensation levels in general upon company performance (Johansson and Nonaka, 1996; Apasu, Ichikawa and Graham, 1987), regardless of individual

performance, most Japanese sales representatives, as well as all other firm employees, usually receive an identical semi-annual percentage bonus to their salaries based on company performance, while U.

S. bonuses are usually based upon individual performance. Though some large Japanese companies do provide compensation schemes with commission or individual bonus components they are often subsidiaries of U.

S. companies and the exception, not the rule, in Japan. To drive the bottom line, Johansson & Nonaka puts the influence of value congruence on performance and job to be higher for Japanese sales representatives than for U. S. sales representatives.

A stone at the entrance to Hitachi's headquarters bears the inscription in the founder's handwriting: " Harmony is to be greatly prized. " Japan is famous for its emphasis on harmony, or wa (Nakane, 1970). Japanese sales representatives would be expected to display higher levels of value congruence (Pascale and Athos, 1981), and this value congruence may have a greater impact on performance and job satisfaction than for Americans.

Another difference is the leadership element, derived from cultural diversities of the both countries.

It is stated by a number of researchers that in Japan there is rigid hierarchical social structure (Nakane, 1970; Hall and Hall, 1987), which gives the foundation for the harmonious, group-oriented business culture.

Johansson & Nonaka mention that " status in the Japanese society and business system is based on age, tenure, sex, education, and/or occupation".

Alternatively, in the United States, “ meritocracy is much more fundamental”. The authors of the given research suggest that in “ a Japanese sales organization, seniority will be a more important consideration for a Japanese sales force than for an U.

S. one”. As Cateora (1983, p.

514) comments: ... with Japan’s emphasis on paternalism and collectivism and the system of lifetime employment seniority, motivation through individual incentive does not work because the Japanese employee seems to desire the greatest satisfaction from being a comfortable member of a group. Thus, an offer of financial reward for outstanding work could be turned down because the employee would prefer not to appear different from peers and possibly attract their resentment.

While Japanese workers get more satisfaction from their feeling a part of strong group (Hall and Hall, 1987), in the United States, there is the merit-based system of bonuses and raises, which leads to a stronger relationship between pay level and satisfaction than in Japan. The results of the mentioned study are quite consistent with prescriptions offered in an interview to the researchers by more than 20 American executives managing sales forces in Japan. They consistently agreed that compensation systems used in the U.

S.

will not work in Japan. They confirmed that other than customary winter and summer bonuses, the variable portion of Japanese salesperson’s pay is

small, usually less than 5 percent. More than one manager advised that large commission portion of compensation would probably confuse and frustrate most Japanese sales representatives. Also, U. S.

recognition practices such as “ salesperson of the month” tend to embarrass, not motivate the group oriented Japanese.

All the proposed differences between the two cultural groups are stated by Hofstede (1991), Agarwal (1993), Hall (1987) and many others, which grant us to say that in cultures where individualism and economics are highly valued, like in the USA, individual characteristics, such as education, valence for pay, and performance are salient. Alternatively, in cultures where collective effort and personal relationships and status are highly valued, like in Japan, organization-related variables, such as seniority and value congruence will be more salient.

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