Management Innovations in Corporate Education in Asia and North America: A Study of Apple and Samsung

Sean Watts, Ashish Das, Dang Thai Doan, Bae, Byung Yun, Giang Le Thi, Ngo Nu Nhu Quynh, and Ly Dang Thi Thao

Abstract—**This paper argues that national culture plays a role in educating and constructing the management in nations and that one model is not universally applicable. Eastern firms, such as Vietnam, are innovatively surpassing developed countries, such as USA in OECD PISA test scores, and still adopting Western management while Western companies are likewise innovating Eastern styles into their own corporate culture. Samsung Electronics and Apple, Inc. are used as case study examples. Results of the article is that while both companies contain Eastern and Western business practices, the location of the organization determines which type of practice dominate.**

Index Terms—**Apple, business, culture, samsung, management.**

I. INTRODUCTION

While the language used in business may often be from the West, the management styles used around the world certainly are not. As cultures vary from country to country, so do corporate cultures and the ways in which business is conducted.

According to [1] and [2], the concept of management was developed by Western civilization based on the separate behavior of individuals. This means that in the West, workers usually have an individualistic mindset and think mainly about the details of their own tasks and responsibilities [2]. This model is not universally applicable, though, because approximately 70% of the world's population belongs to a collectivist culture [3]. Therefore, the majority of people focus on the group and a sense of belonging, unlike the individualist point of view of most Westerners.

Two such companies exist in the information technology market: Samsung, a South Korean firm, and Apple, the North American IT company. Along with operating outside of their mother countries, Samsung and Apple also received wake up calls on the insufficiency of their management

from outside threats. Organizations confronted with uncertainties often reform themselves to model the most successful structures of other firms [4] and in these cases the uncertainty was caused by financial crises. The 1997 financial crisis in Asia drove Korea into debt to the point that it needed a bailout from the International Monetary Fund. This forced chaebol (Korean conglomerates) like Samsung to reconsider the traditional Korean management style in favor of Western elements [5]. Similarly, the 1989 recession and the 2008-2009 housing bubble crash caused American firms to see their usual strategy with fresh eyes and to look for a better way in Eastern management practices [2].

National culture plays a role in educating and management style. Viet Nam, had opportunities to attend Programme for International Student Assessment (PISA) and performed the good results in 2015.

"Published on Dec. 6, 2016, more than half a million 15-year-olds took part in the OECD's latest global education survey, known as PISA. The main focus was on science, an increasing important part of our economic and social lives. 72 countries and economies took part."[6]. It is surprised that "In Vietnam, the 10% most disadvantaged students do as well as the average student in an OECD country"[7] and the overall, accounting for GDP per capita, get the best scoring 611, while all other countries scored lower: Japan: 542, Finland: 529, Singapore: 523, Korea: 523, Canada: 522, USA: 482, Indonesia: 461. However, Eastern firms are still innovatively adopting Western management style.

This article is focus on discussing the existing literature on culture and ways of categorizing it, the organizational structure of Apple and Samsung and how it has changed over the years. By using examples to highlight aspects of leadership, competitive strategies and human resource management are mentioned. On the last section studies the limits to adopting foreign management styles.

II. LITERATURE REVIEW

Many different researchers have determined ways to categorize and compare the values and behaviors of different cultures. One of the more prominent is Hofstede with his 5 cultural dimensions, shown in Fig. 1 [1], [8]-[11].

Hofstede's Cultural Dimensions	
Individualism	Collectivism
Big power distance	Small power distance
Large uncertainty avoidance	Small uncertainty avoidance
Career Success	Quality of life
Long-term orientation	Short-term orientation

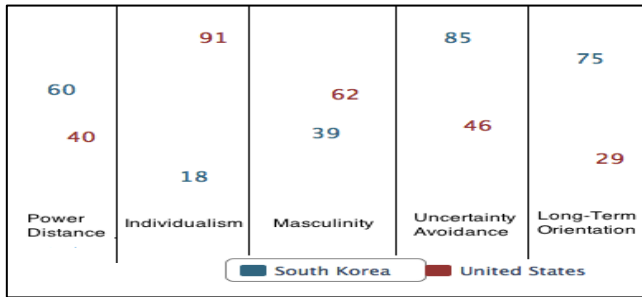Fig. 1. Hofstede's cultural dimensions.

Fig. 2. Power inequalities comparison between the U.S and South Korea.

Reference [8] believes that "the position of a country on these dimensions allows us to make some predictions on the way their society operates, including their management processes and the kind of theories applicable to their management." For example, with power distance, or the extent to which people accept inequalities in power distribution, South Korea ranks higher than the USA in Fig. 2 [1]. In the business world, this can be translated to mean that hierarchies of power are more respected in South Korea compared to the participative and equal corporate culture in the United States. South Korea ranks very low and therefore has a collectivist culture overall [12], [11]. On the other hand, Americans are very individualistic and use a first person perspective with a focus on objects and details [10]. For masculinity, also known as the career success value, the U.S. ranks more highly compared to South Korea. This implies that Americans place more importance on assertiveness and the acquisition of money instead of relationships and concern for others [11]. Next is uncertainty avoidance in which South Korea has a high score and the USA is near the middle with 46. "Uncertainty avoidance refers to the extent to which a society relies on social norms, rules, and procedures to alleviate ambiguity and the unpredictability of future events" [2]. So, in contrast with South Korea, Americans have less fear of the unknown and conduct business in a more straightforward manner. The last of Hofstede's cultural dimensions is long-term orientation where the United States ranks below South Korea. This is seen in corporate culture when Americans focus on the short-term bottom-line profit while Koreans may think about the future consequences and benefits of their actions.

Although financial crises caused Korea to look outside itself for examples of success, it was not the first time Korea had been influenced by foreign culture. Due to proximity, Korea has many influences from China such as Confucianism. This religion gained popularity during the Choson dynasty (1392-1897) and is still ingrained in society today. Confucianism brought a hierarchical ordering of society to Korea as well as an importance on education. Then in the 19th century a religion from the West took root: Christianity. Another major influence on Korea came from the Japanese colonization (1910-1945) because its founder, Byung-Chull Lee, attended a Japanese university. After that Korea and Western culture came into contact during the Korean War (1950-1953). Then in 1988, South Korea made efforts to open up to international commerce by hosting the summer Olympics. Interaction with American culture introduced values of capitalism like commerce, business, and making money [12]. Korea picking up on these values

meant that it was adopting more of the career success dimension as compared to quality of life.

III. ORGANIZATIONAL STRUCTURE

Apple was founded in 1976 by Steve Jobs, Steve Wozniak, and Ronald Wayne. In 1998, Jobs became CEO and the company flourished with his great ideas and unique management style. Consequently, Apple's mission statement highlights its personal progress:

Apple designs Macs, the best personal computers in the world, along with OS X, iLife, iWork and professional software. Apple leads the digital music revolution with its iPods and iTunes online store. Apple has reinvented the mobile phone with its revolutionary iPhone and App Store, and is defining the future of mobile media and computing devices with iPad [13].

On the other hand, Samsung was founded in 1938 by Byung-Chull Lee. His business started with food trading and slowly acquired other firms before getting involved in the technology market. Due to its humble beginnings, Samsung's mission statement as of the 1990 considers more than its own progress.

"We will devote our human resources and technology to create superior products and services, thereby contributing to a better global society. Our management philosophy represents our strong determination to contribute directly to the prosperity of people all over the world. The talent, creativity and dedication of our people are key factors to our efforts, and the strides we've made in technology offer endless possibilities to achieve higher standards of living everywhere. At Samsung, we believe that the success of our contributions to society and to the mutual prosperity of people across national boundaries truly depends on how we manage our company. Our goal is to create the future with our customers" [13].

The mission statements of Apple and Samsung reflect the culture of the people who created them. This mindset is seen in Apple's mission that is only about its individual accomplishments, like how Apple "is defining the future of mobile media." In contrast, the Asian culture that formulated Samsung's statement is generally collectivist. Therefore, Samsung thinks about groups beyond itself (such as the world) before considering personal accomplishments.

A. Reforms of Organizational Structure

Although Apple and Samsung differ in their mission statements, the management of both companies recognizes the need for reform. The recession in 1989 caused Apple to see that its current business practices were inadequate in the face of "high volume, decreasing margins, increasing competition, global operations, and product-line proliferation [14]. One such practice Hamlin listed was the fact that their separate operations and product-line acted individually. This tendency to view things as separate and individual is characteristic of the West [10]. It typically enables more creativity, but the lack of coordination between business units created inefficiencies like duplication of effort in this case and lack of a global mindset in the company because glocalization was not taking place. Subsequently, Apple set into motion a plan to

redesign the organization. As the result of input from all parts of the company, Apple created worldwide supplier management to ensure effective use of the corporation's limited resources. At the same time, Apple sought to encourage team-based activities to foster more cohesion in the work place. To remedy its problem of glocalization, Apple placed administrative responsibilities in the hands of local managers in order to provide "flexibility for differences in compensation systems cultural biases, and other local norms" [14].

After the 1997 financial crisis, Korean chaebol started to consider introducing western management practices into their existing models. At Samsung, the Group Strategic Planning Office, previous to 2007 known as Headquarters Executive Staff, implemented changes seeking to increase efficiency in the office [5]. For example, in the past a project needed 21 separate chops, or personal stamps of approval, before it could be implemented. This system was constructed in accordance with traditional Confucian hierarchy in mind, but it made the process of getting things done very slow and inefficient. Consequently, Lee Kun-Hee decided to cut the approval system down to just three chops [15]. The three-chop process is a more Western way of going about business because without a strict hierarchy, westerners can get straight to the point with the most efficiency. This straightforward approach is a result of a smaller power distance in the West as well as less uncertainty avoidance [10]. On one side of the issue, the Korean system of chops slows down the implementation of new ideas and needs to be replaced in favor of Western efficiency. Besides, hierarchal relationships and harmony-oriented values are important in Korean society and need to be respected [16]. Thus, the three-chop solution introduces some of the western "straight to the point" style while still respecting the Confucian hierarchy of power and the value of harmony in the company.

Another reform in favor of efficiency brought into Samsung concerned temporal change in 1997 [17]. The firm's usual schedule was a flexible nine to five (i.e. some workers came in earlier and worked later). However, in order to force employees to be more productive with their time, Samsung enforced a strict seven to four time schedule. As a result, people became more conscious of their time and searched for ways to work more efficiently. This involved making better use of time saving technology and conducting phone conferences instead of traditional meetings [18]. In effect, a simple change in time caused a Korean company to adopt the American value of career success through an emphasis on getting jobs done with strict norms of punctuality [19]. The new system also undermined the existing authority system where superiors were proud of working late. Senior managers were used to the cultural value of face time in which the more hours you put into the company the better [10]. At the same time, "Confucian values of diligence and harmony have contributed to a relatively high work ethic" in Korean management [2]. Managers usually waited at work while subordinates clamored to complete the day's tasks. This custom represents the Chinese value of guanxi that existed in the company through personal relationships characterized by obligations [16]. In this case the subordinates were obligated to stay late and finish their work while the managers were obligated to stay and watch over this. So, when Samsung required all its employees to leave at 4:00pm, traditional ideas of hierarchy and guanxi dissolved until there was nothing left to distinguish the senior managers from the rest of the workers.

IV. LEADERSHIP

A. Executive Level Management

Steve Jobs was known for having a very controlling leadership style during his time as CEO of Apple. This was foreshadowed in 1979 when he became the leader of the Mac project. Jobs had big plans for the group, and shared his vision to create "the bicycle of personal computers" with the engineers in the Mac project [20]. This presented a problem to the employees who were then inspired to come up with creative solutions. This leader's role in the group went much further, though, for he had the final say in all decisions. For example, he nixed ideas like providing expansion slots for third-party vendors to make add-on equipment and became convinced that the computer should have a base the size of a telephone book. Despite his meddling, the resulting Mac was a huge success. Apple recognized that Jobs' extraordinary visions for the company pushed its workers to make those visions a reality. The company also noted the popularity of the visions with the public, so Jobs was chosen as the next CEO.

Besides regulating the release date for each updated product, one example of Jobs' micromanagement as CEO was his reaction to an application that flopped with the public. In 2008, the iPhone was launched with MobileMe, an email system with built in synchronization features. However, there were bugs in the program so it did not provide the timesaving technology it claimed to. After hearing of the product's dismal introduction, Jobs called the group responsible for MobileMe together and scolded them for its failure. At that meeting he even appointed a new executive to lead the group to make sure this would never happen again [21]. This extremely controlling management style with top-down decisions is characteristic of Korean management [2]. In Asia, the historical prevalence of Confucianism left an authority structure that is formed around a powerful central state, or CEO in the case of business [5]. This is also called patrimonialism, in which the leader acts as a ruler and administration is based on the personal desires of the ruler. The CEO can also be understood as a father figure that takes care of his children, or workers. Patrimonialism differs from the customary participative leadership style in the United States in which the manager involves the subordinates in the decision-making process [1].

B. Communication

One aspect of Samsung's reform effort was to bring outsiders into the company and send insiders out [22]. In 1999, Korean-American (born in Korea, raised in the USA) Eric Kim was recruited to work as chief marketing officer at Samsung's Korean branch. Now he is known for hatching the "Samsung Digitall: Everyone's Invited" slogan, but in

the beginning, he had trouble communicating with others in the company. Asian cultures tend to be more collectivist and therefore seek harmony within the group [11]. This may cause people to avoid saying things that would embarrass or provoke someone else, otherwise known as upsetting the harmony.

Connected to collectivism is the importance of relationships in the corporate world. These relationships can come from familial, geographical, or educational ties and make open communication easier [2]. Called guanxi in Chinese, this networking of relationships is crucial in business in order to get support and gain the trust of others. Although foreigners like Eric Kim probably will not have guanxi ties with Korean coworkers, there is another arena in which local employees can open up is the bar. According to my Korean colleague Jay Lee Seung Ho, it is commonplace for workers and their managers to go out for soju together in order to create a safe place where true feelings can be aired. The excuse of being under the influence of alcohol makes up for any fears of disturbing the harmony of people's feelings with worries or criticism. Then the next day at work the conversation is forgotten because harmony is crucial in formal settings [13].

Samsung's CMO may have also encountered hostility from the local workers. Traditionally, Korean chaebols promote from within based on seniority and guanxities [16]. So, when a foreigner is brought in with no previous experience with the company, Koreans may have felt their hierarchy had been undermined. Thus, they withheld support and ostracized Kim. Five years later, Kim reported "now they help me on my task-related issues, but I still feel that I am emotionally isolated from them" [23]. After that, Kim moved back to the USA and served as CMO at Intel. He is currently the CEO for Soraa Inc., a lighting company.

This difference in attitudes is an example of specific versus diffuse cultures. Specific cultures like that of the United States focus only on behavior and performance at work while the focus in diffuse cultures spans a wider range of behavior [9].

While Samsung experienced cross-cultural miscommunication with an expatriate, Apple had problems when it conducted business in Korea. In the United States, technology-users accept that their warranties only cover so much. There was a woman in Korea complained quite publicly after getting a situation that was similar to drop first smart phone into the toilet shortly after getting it. She assumed that Apple would repair or replace her iPhone 4 for free just like local companies [24]. This highlights the Korean business model of patrimonialism in which the head, father figure takes care of the kids. Although Jobs was a patriarch in terms of exerting his personal power, his company dropped the ball when it came to taking care of the family. This is also an example of collectivist culture in Korea that focuses on the relationship between consumer and provider. The woman was expecting AS, or the after service that is always included with purchases in Korea [13]. From Apple's experience, other foreign companies entering Korea should take note of how consumer expectations differ from the West.

V. COMPETITIVE STRATEGIES

Along with Job's controlling management style mentioned earlier, he also instituted a rule of secrecy to keep the competition in the dark. This was accomplished by keeping all of the departments within Apple separate so that employees had no idea what other sects were working on [25] Like Job's patriarchal administration, this value on secrecy also comes from Asia. Apple's new CEO Tim Cook told the press "I don't want to let anybody know our magic because I don't want anybody copying it". This management philosophy differs from most American firms that advertise their transparency as a positive thing.

Another competitive strategy Jobs employed was parsimony and using as few resources as possible. In interviews collected by [26], employees recalled how difficult it was to get resources for projects. Instead of putting many people on crucial projects, Jobs opted to give small teams the important tasks in order to not waste any labor. There is also the infamous Apple hospitality at events that is extremely sparse-one worker remembered there being "three stale cookies and two Diet Cokes" at a meeting for investors [23]. At the same time, parsimony was favored in the aftermath of the Korean War when resources were scarce. Although that period has passed, the older generation of Korean managers still use their resources sparsely.

Apple is not the only one looking elsewhere for competitive strategies: part of Samsung's reforms shown in Fig. 3, involved tweaking the old diversification strategy. Among Korean conglomerates, diversification strategies are very popular and used to grow quickly. Figure 3 shows that Samsung has entered the markets of sugar, wood textiles, vending machines, construction, shipbuilding, and automobiles besides the IT they are most known for [2], [27].

1938	Food items	1948	Trucking, textiles, and sugar
1950's	Department stores, newspaper, ship building, securities, chemicals		
1969	TVs, refrigerators, washing machines		
1977	Semiconductors		
1983	Computers		
1997	Mobile Phones		Source: [2]

Fig. 3. Samsung's diversification strategy 1938-2017.

This reveals an orientation towards Hofstede's career success value in which assertiveness and the acquisition of money is stressed [11]. However, Samsung began to reconsider if diversification was the best career success method after the 1997 financial crisis. Subsequently, it started to move from the diversification strategy emphasizing growth to a more profit-driven strategy in select markets [5]. But instead of completely ditching diversification, Samsung combined its existing strategy with focus within the businesses. This focus strategy is characteristic of Western firms [23].

A. Corporate Social Responsibility

CSR can be a competitive strategy when it simultaneously makes a profit for the company. Steve Jobs was known for putting the concerns of the environment and the community on the bottom of his priority list. In the early

2000s, Apple's environmental policies (or lack thereof) came under fire by Greenpeace, an organization that strives to protect the environment by exposing those who do not [28]. Apple scored consistently lower than the majority of electronics companies, including Samsung, in four separate editions of Greenpeace's "Guide to Greener Electronics." Although Apple did manage to raise its score from a 2.7 in 2006 to a 6 in 2008, the organization still remains outside of the top ten of Greenpeace's environmentally friendly electronics companies [15]. Jobs' reluctance to give back to the community reveals the popular Western values of individualism and career success. Reference to [1], dimensions involve a calculative focus on the acquisition of money and power without regard to other factors such as relationships and the environment.

However, Apple's new CEO, Tim Cook, has started to depart from Jobs' stance on CSR by donating to charities. Along with giving to worthy causes of Apple's choice, a program has also been developed to match the donations of its employees. This change in CSR strategy reveals Apple picking up collectivist values in which the firm thinks about others outside of itself during business decisions.

B. Social Media

A marketing strategy that is becoming increasingly important is the utilization of social media to interact with consumers. This is because social media sites like blogs, social networks, Twitter, and content aggregators such as Digg and Reddit are starting to impact the purchasing behavior of customers [29]. Not all companies recognize this trend though, Samsung and Apple differ in terms of social media just as they do with corporate social responsibility.

On Samsung's LinkedIn page, a list of social media including Facebook, Twitter, and YouTube exists along with the company and career information. In contrast, the only link on Apple's LinkedIn directs readers to its corporate website. Then on Facebook, Samsung Mobile USA provides "a place to share your stories and learn more about your Samsung Mobile devices." As shown in the table below, Samsung has invested more than Apple in social media and connecting with customers through the internet. This could be a result of Apple's corporate culture of parsimony in which resources are used sparingly. At the same time, it is possible that Apple is undergoing the typically Asian trait of uncertainty avoidance. According to [29] "the organic nature of social media presents challenges to organizations accustomed to the more easily controlled realm of advertising". Their study on social media also found that managers accustomed to the top-down approach (such as Job's patrimonialism) fear losing control of their brands to social media.

VI. HUMAN RESOURCE MANAGEMENT

A. Training

From the Chinese influence, Korea now has a Confucian emphasis on education that is found in the importance of training employees. In addition, it is a future-oriented trait to invest in the future and wait for delayed gratification [2]. Yet another of Hofstede's cultural dimensions is at working

with employee training because it diminishes uncertainty. If a firm gives its employees all the information they need, there is certainty that the employees will know how to handle the situations they will face.

Both Apple and Samsung have made efforts to reduce uncertainty in employees through training. At Samsung, new hires go through 4 weeks of training and come out the other end as Samsung-men [5]. There are also yearlong training courses for employees hired as specialists. This Korean firm also uses training as a competitive advantage with The Samsung Art & Design Institute. Through this collaboration with Parsons, the New School for Design, students are trained to give Samsung an edge in the designs of technology. [23] reports that "combining this design excellence with its traditional technological competence has allowed the once low-cost imitator to sustain a high-price strategy for its TVs and cell phones". Similarly, Jobs made efforts to ensure that his management style would continue in his absence with the foundation of Apple University. With the help of Joel Podolny, Dean of the Yale School of Management, Jobs compiled case studies covering significant decisions throughout Apple's history [20]. In effect, Apple University is a record to teach new management about Job's thought process and Apple's corporate culture so that it can be carried on when Jobs is no longer there.

B. Management of Expatriates, Inpatriates, and Transpatriates

A way that companies like Apple and Samsung develop for the globalization age is with sending employees abroad and taking in foreigners. Expatriates, or home country nationals sent out of headquarters, are afterwards able to use their culture and the foreign culture they observed to think synergistically [11]. This provides the home company with new ideas and perspectives for improving business. Another option for obtaining this synergistic edge is to hire people from other countries or inpatriates.

Samsung utilizes both expatriates and inpatriates to enhance the management of headquarters. One such way is with the Regional Specialist Program that sends hundreds of employees abroad each year [23]. First the Confucian emphasis on education appears with a 12-week language course for the intended destination. Then the trained worker is sent into the foreign country to network, find business opportunities, and observe successful management practices to try out at Samsung. Bill Kim, director of marketing and planning of the Digital Appliance Business, was sent to Indonesia in 1991. He reflects that "I wouldn't have been able to solve the cross-culture problems if it were not for the networking and local knowledge I acquired during the specialist program year" (Samsung Village). Since AS, or after service and satisfaction is highly valued in Korea, Kim saw to it that customers received guides to Samsung authorized repairs [30].

At the same time, Samsung brought inpatriates to headquarters in South Korea, but the culture shock for both national and international employees proved ineffective. After observing foreigners meeting challenges such as managers withholding information and exaggerating mistakes, getting excluded socially, and receiving no

support, CEO Lee Kun-Hee set up the Global Strategy Group. Through this program, foreigners spent 2 years learning Korean, attended mentoring sessions with the CEO, and got access to scholarships to attend graduate schools in Korea [5]. This last aspect of the program is especially important because it helps inpatriates to form guanxi ties through education with local colleagues. Before the Global Strategy Group was created in 1997, foreigners never lasted more than 3 years, but 10 years after its implementation 67% of inpatriates make it past 3 years [23].

In its 1993 reform efforts, Apple tried to broaden the horizons of its employees as well. Instead of expatriates or inpatriates, Apple employed a system of transpatriates in which workers from international sites were sent to other international sites [11]. According to [14] "we… looked for opportunities to cross-pollinate the organization by providing rotational assignments to high-potential employees on a global basis" as opposed to the traditional system of sending U.S. employees abroad. As a result, Apple discovered many areas for improvement and gained better local insight that led to glocalization.

C. Compensation and Incentive Systems

In response to financial crisis and the changing face of globalized business, Samsung enacted a set of reforms to combine its management style with other profitable strategies. One of these involved replacing the traditional seniority-based corporate culture with a merit pay and promotion system [12].

The company sent hundreds of employees abroad to network and look for business opportunities. In addition, these expatriates observed management styles that were successful around the world and that could be introduced in Korea. This method of gathering facts is evidence of the generally Western career success dimension [10]. One of the foreign practices Lee Kun-Hee decided to enact was merit-based pay. This compensation system is formulated to encourage action and provide motivation to employees. While it did motivate employees to compete as they do in the West, it had another consequence of breaking down the traditional Confucian reference for senior members of the organization. It also took the place of guanxi business practices in which employees favor those they have ties with [16]. Usually in Korean chaebols, the workers with the most guanxi ties are the older employees [31]. In the end, the compensation system that was kept was a mixture of Samsung's traditional Japanese roots and Western corporate culture as seen in Fig. 4.

Seniority-based promotion and compensation; standardized incentives	Coexistence of seniority-based and merit-based promotion and compensation; mostly standardized but some individualized incentives	Merit-based promotion and compensation; individualized incentives

Source: [21]

Fig. 4. A mixture of Samsung's traditional Japanese roots and Western corporate culture.

D. Limits to Adopting Different Management Styles

Companies can most successfully adopt foreign management styles from countries they have similar values with. According to the taxonomy compiled [19], nations can be divided according to employee verses job-orientedness and rule verses relationship-based culture. The West falls under job-orientedness and rule-based society, so Asian countries with the same categorization can more easily adopt Western management practices: South Korea, Japan, and Hong Kong. The same goes for American companies, the systems of firms with similar values better fit into existing corporate culture [32].

Another way of thinking about international business styles is the ambicultural approach to management proposed [2]. This separates the practices of foreign countries into positives and negatives according to how they would affect the adopter. For example, good values from the East involve patience, community orientation and respect for elders while the bad is mistrust, secrecy, and commanding paternalism. Then with the West, a good practice is the decentralization due to low power distance and something negative is the short-term, bottom-line focus.

Although these theories make it seem simple, grafting foreign practices into business can be difficult. While there are some similarities, "the cultural distance between East and West" can make certain Asian practices inappropriate for Western firms to emulate [2].

For instance, the practice of guanxi seems like it would benefit all businesses, but sometimes it can go bad. In a study by authors of [16], the overlapping of business relationships and closer guanxi ties causes a "perceived conflict of interest between the manager's official responsibility and his or her personal" life in the eyes of employees. In other words, managers who made decisions based on guanxi ties instead of neutrality were less trusted by their workers. Another side of the issue is that guanxi can lead to employees getting trapped in deep social relationships [16]. According to Yonsei Professor Simone Sunghae Kim, jeong, or deep attachment and affection, is often found in Korean society [12]. If workers around the world were to enter into guanxi relationships and have feelings of jeong, the related obligations may interfere with making unbiased business decisions.

E. Legal Issues

As described earlier, firms seeking change emulate the successful models of other companies. Not only can completely copying another management style be detrimental, but copying products brings on legal issues.

Samsung discovered this in 2012 when Apple sued it for copying patented intellectual property. This included both utility and design patents such as the pinch and zoom feature in smart phones. Apple's reaction to the situation reveals the North American style of negotiating. Instead of seeking conciliation, Apple went straight to litigation by suing Samsung. Other North American characteristics are placing a great importance on documentation as proof, being motivated by profit, and acting impersonally [17]. The proof in this case was all the little details that Apple claimed Samsung copied, such as the bounce back feature at the end of pages. The reason Apple is pursuing all these details is because it wants to be the only provider in the IT

market with these features. This would give them a mini monopoly and allow them to charge a higher price. Then by suing Samsung, Apple is being individualistic and impersonal. They only care about their own products and profits, not the consequences for the other company.

Samsung's reaction displayed North American aspects as well because it pointed the finger right back at Apple. The Korean conglomerate said Apple copied features like sending email and multitasking [19]. At the same time, this reaction shows a characteristic that [10] found in Japanese negotiations: face-saving. Since Samsung was founded on Japanese principles and management, Apple's accusations were a big insult concerning ethical business practices. So not wanting its customers to think badly of the brand, Samsung tried to deny the charges of copying Apple. The chaebol even brought up ways that Apple had copied them to try and shift the blame in the situation.

Samsung had to learn the hard way that "hell hath no fury like an Apple imitated" [31]. The jury ruled in favor of Apple and ordered Samsung to pay a reported $1.05 billion in damages. This brings back to mind Tim Cook's comment that "I don't want to let anybody know our magic because I don't want anybody copying it." The great importance Apple places on secrecy appears to have driven its response to Samsung's patent infringement.

When it comes to looking elsewhere for models of success, caution must be taken to never totally copy. In the case of management styles, they must be carefully chosen and implemented so they complement the current corporate culture. And the products and services of other firms should only serve as inspiration, not as exact formulas to follow.

VII. CONCLUSION

In summary, companies looking to compete globally need to incorporate more than just local management styles. Both companies have a mixture of Eastern and Western dimensions. In Apple's case, it seems that collectivism, respect for relationships, and a focus on education is needed in terms of CSR and customer service in Korea. Then for Samsung, an improvement from the West was more of a focus on the career success dimension and the related areas of lower power distance and less uncertainty avoidance. This was shown in the examples of shortening the chop system of approval, focusing the diversification strategy, and combining seniority-based with merit-based compensation. When Samsung does business in the West and Apple operates in the East, these cultural dimensions from the local culture should dominate over home-country corporate culture.

But before global managers can begin to think about other cultures, they must become aware of and overcome their own ethnocentrism. Only from this point of view can managers see the flaws in local practices and the potential benefits in foreign ones. Although it is often difficult to work with foreigners and to graft other management styles into the local culture "the effective use of the organization's global resources and the benefits of rich diversity truly result in a competitive advantage" [15].

Suggestions for Further Research: Samsung and Apple are large companies and the examples used in this article represent only a fraction of their actions and employees. As this was an initial study of the two firms, more research is required in terms of organizational history, events, and people.

REFERENCES

[1] G. Hofstede, "Asian management in the 21st century," *Asia Pacific Journal of Management,* vol. 24, no. 4, pp. 411-420, 2007.

[2] M. Chen, *Asian Management Systems,* London, UK: Thomson Learning, 2004. Chen, M. J. and Miller, "West meets East: Toward an ambicultural approach to management," *Academy of Management Perspectives,* vol. 24, no. 4, pp. 17-24, D., 2010.

[3] H. C. Triandis, *Individualism & Collectivism, Boulder,* CO: Westview Press, 1995

[4] P. J. DiMaggio and W. W. Powell, "The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields," *American Sociological Review,* vol. 48, pp. 147-160, 1983.

[5] S. Chang, "Study on human resource management in Korea's chaebol enterprise: A case study of Samsung electronics," *International Journal of Human Resource Management,* vol. 23, no. 7, pp. 1436-1461, 2012.

[6] OECD PISA 2015. [Online]. Available: https://www.OECD.org/PISA/aboutPISA/

[7] OECD (2016), "PISA 2015 results (volume I): Excellence and equity in education," *PISA, OECD Publishing.* [Online]. I. pp. 324 & 333. Available: http://dx.doi.org/10.1787/9789264266490-en

[8] G. Hofstede, "Cultural constraints in management theories," *Academy of Management,* pp. 81-94, 1993.

[9] G. Hofstede, "Asian management in 21st century," *Asia Pacific Journal of Management,* vol. 24, no. 4, pp. 411-420, 2007.

[10] G. Hofstede, "Motivation, leadership, and organization: Do American theories apply abroad organizational dynamics," vol. 9, no. 1, pp. 42-63, 1980.

[11] G. Hofstede. National culture, countries. [Online]. Available: http://geerthofstede.com/south-korea.html

[12] S. S. Kim, "Lecture on individualism and collectivism," October 12, 2012.

[13] Values and Philosophy. Our management philosophy, Samsung, 2012. [Online]. Available: http://www.samsung.com/hk_en/aboutsamsung/samsunggroup/values philosophy/SAMSUNGGroup_ValuesPhilosophy.html

[14] C. Hamlin, "Team building a global team at apple computer," *Employment Relations Today,* vol. 21, no. 1, pp. 55-62, 1994.

[15] "Innovate, Not Imitate," in *Far Eastern Review*, Paisley, Ed. May 13, 1993, pp. 64-69.

[16] C. Chen, Y. Chen, and K. Xin, "Guanxi practices and trust in management: A procedural justice perspective," *Organization Science,* vol. 15, no. 2, pp. 200-209, 2004.

[17] P. Casse, *Training for the Cross-Cultural Mind,* Washington, DC: Society for International Education, Training, and Research, 1981.

[18] H. Lee, J. Lee, and C. Choi, "Time to change, time for change: How was time to change a global company?" *Academy of Management Annual Meeting Proceedings,* F1-F6, 2005.

[19] R. Bhagat, A. McDevitt, and I. McDevitt. (2010). On improving robustness of Asian management theories: Theoretical anchors in era of globalization. *Asia Pacific Journal of Management.* [Online]. 27(2). pp. 179-192. Available: http://ehis.ebscohost.com.proxy.lib.muohio.edu/ehost/pdfviewer/pdfv iewer?sid=33723111-7867-4e8e-b7bc 2a216716a7f7%40sessionmgr113&vid=21&hid=124

[20] I. Nonaka and M. Kenney, "Towards a new theory of innovation management: A case study comparing Canon, Inc. and Apple computer," *Inc. Journal of Engineering and Technology Management,* vol. 8, no. 1, pp. 67-83, 1991.

[21] A. Lashinsky, "How tim cook is changing Apple," *Fortune*, vol. 165, no. 8, pp. 110-118, 2012.

[22] P. Huo and R. M. Steers, "Cultural influences on the design of incentive systems: The case of East Asia," *Asia Pacific Journal of Management,* vol. 10, no. 1, pp. 71-85, 1993

[23] T. Khanna, J. Song, and K. Lee, "The paradox of samsung's rise," *Harvard Business Review,* vol. 89, no. 7/8, pp. 142-147, 2011.

[24] C. Charley. (2011). Management the Steve Jobs way-learning from Steve jobs' management style. *Silicon Beach Training.* [Online]. Available: http://www.siliconbeachtraining.co.uk/blog/steve-jobs-management-style

[25] A. Lashinsky and D. Burke, "Inside Apple, (cover story)," *Fortune International (Europe),* vol. 163, no. 7, pp. 42-50, 2011.

[26] K. Armstrong, S. Gupta, and Z. Clayton, "Social media," *Harvard Business School Cases,* vol. 1, 2010.

[27] M. Kim and B. Tarrant. (2011). TIMELINE - Samsung's growth to a top global brand. *Technology News.* [Online]. Available: http://in.reuters.com/article/2011/01/27/idINIndia-54441620110127

[28] P. L. Schultz and D. Helleloid, "Apple, Inc., and Greenpeace in 2008," *Journal of Critical Incidents,* pp. 342-349, 2010.

[29] S. Watts, *Corporate Culture of East Asia Class Conference,* Korea: Yonsei University, 2015.

[30] B. Bosker and D. Grandoni. Apple-Samsung lawsuit: What you need to know about Verdict. *Huffington Post.* [Online]. Available: http://www.huffingtonpost.com/2012/08/24/apple-samsung-lawsuit-verdict_n_1829268.html

[31] K. Bowon, "Cultural forces and historical events to shape organizing principles in Korea: An exploratory perspective," *Management Decision,* vol. 48, no. 5, pp. 826-841.

[32] B. Munck, "Changing a culture of face time," *Harvard Business Review,* vol. 79, no. 10, pp. 125-131, 2001.

Sean Watts teaches management and marketing in RMIT University, HCMC, Vietnam, and has been chair of business and economics in Yonsei University, EIC, South Korea. He has a Ph.D, MBAs, and 75+ journal articles and textbook publications.

Dang Thai Doan teaches Info Tech in Eastern International University, Binh Duong, Vietnam.

Giang Le Thi is a researcher with a bachelor of social work and work experience at the Institute of Social and Medical studies in Vietnam. LG works on research projects on online education and corporate development with Dr. Watts.

Quynh Nu Nhu Ngo is a researcher and entrepreneur, graduated from Hue University of Economics in 2014. Quynh worked on several research projects on online education and corporate development with Dr. Watts.

Ly Dang is R&D executive of eLearning Center in Ho Chi Minh City Open University, HCMC, Vietnam. She has MBA of the H-E-B School of Business and Administration in the US. Right now, she works with LMS, LCMS, eLearning curriculum, and leading the instructional design team.

Bae, Byung Yun is a visiting professor at the Department of Entrepreneurship in the Graduate School of G.B. Entrepreneurship, Yonsei University, Korea

Ashish K Das is a lecturer in Business Info System RMIT University. He has 12+ years experience in software development industry in USA, holding Software and Solutions Architect and Prog Manager Positions in fortune 500 companies and start-ups.