

**Challenges in Achieving an Integrative Approach to
People Management in Japanese Companies
in Australia**

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degree of Doctor of Philosophy

CERTIFICATE OF AUTHORSHIP/ORIGINALITY

I certify that the work in this thesis has not previously been submitted for a degree nor has it been submitted as part of requirements for a degree except as fully acknowledged within the text.

I also certify that the thesis has been written by me. Any help that I have received in my research work and the preparation of the thesis itself has been acknowledged. In addition, I certify that all information sources and literature used are indicated in the thesis.

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DEFINITION OF TERMS

Head Office: Head Office of the company where informants work. They are mostly located in Tokyo. In this dissertation, Head Office also includes any branch offices of the company which are located in Japan. These branch offices in Japan have some association with offshore offices in Australia. This includes cases where Japanese expatriate staff are sent from a branch office in Japan, and where an office in Japan influences business activity of a branch office in Australia. For example, company in Japan imports products from Australia, and staff in the office in Japan provide instructions and directions on business matters to a branch office in Australia

Staff: People who work for Japanese companies which participated in this study. All companies have offshore office(s) in Australia. The term ‘staff’ in this dissertation includes all types of groups categorized in this study such as Japanese staff (JS) and non-Japanese local staff (NJLS). It includes all types of positions held in Australia.

Japanese staff (JS): Japanese nationals working in the company. It includes people in all positions in the company. Namely, Japanese expatriate staff (JEXS) and Local Japanese staff (LJS).

Japanese expatriate staff (JEXS): Japanese nationals who are sent from Head Office in Japan. It includes all types of positions held in Australia, namely, Japanese expatriates in managerial positions (JEXM) and Japanese expatriate employees (JEXE).

Japanese expatriates in managerial positions (JEXM): Japanese nationals who are sent from Head Office in Japan and hold a managerial position in Australia.

Japanese expatriate employees (JEXE): Japanese nationals who are sent from Head Office in Japan and do not hold a managerial position in Australia.

Local Japanese staff (LJS): Japanese nationals who are employed locally. This includes local Japanese managers (LJM) and local Japanese employees (LJE).

Local Japanese managers (LJM): Japanese nationals employed locally who hold a managerial position in Australia.

Local Japanese employees (LJE): Japanese nationals employed locally who do not hold a managerial position in Australia.

Non-Japanese local staff (NJLS): People who are not Japanese nationals and are hired as local staff. This includes non-Japanese local managers (NJLM) and non-Japanese local employees (NJLE).

Non-Japanese local managers (NJLM): People who are not Japanese nationals, and are hired locally and hold managerial positions in the company in Australia.

Non-Japanese local employees (NJLE): People who are not Japanese nationals, and are hired locally and do not hold a managerial position in the company in Australia.

Abstract

Japanese companies have always experienced challenges in managing white-collar local employees in their overseas subsidiaries (e.g. Byun & Ybema 2005; Hayashi 1994; Taga 2004; Tokusei 1994), as exemplified by the characteristic of a lack of integration which exists in overseas Japanese companies (e.g. Dedoussis 1994; Kidahashi 1987; Yoshihara 2001; Yoshimura & Anderson 1997). This is apparent in the demarcation between two groups of employees, local staff and Japanese expatriate staff, with the latter having close ties with the Head Office of the company.

Elucidation on how to succeed in managing local staff in overseas Japanese companies is an important agenda. To attain this goal, the current study will examine the problems experienced by Japanese and local staff, and the strategies perceived as effective for the improvements by using Role Theory (Kahn et al. 1964; Katz & Kahn 1978) to understand the cross-cultural interactions within Japanese companies operating in Australia.

This thesis has the following aims and objectives:

- (1) To explore the types of role stress experienced by Japanese and non-Japanese white-collar staff holding managerial and non-managerial positions in Japanese companies operating in Australia; and
- (2) To examine the strategies perceived as effective to relieve their role stress.

In-depth interviews were conducted with 68 white collar employees of Japanese companies operating in Australia, including expatriates, local Japanese hires, and non-Japanese local staff. The qualitative data were analyzed using Nvivo software, according to thematic issues (Miles & Huberman 1994).

There are four main findings. First, new types of role stress (that is, role ambiguity and role conflict) which have never been noted in the literature on role theory were identified. These new types of role ambiguity are lack of cultural understanding and communication problems. The communication problems involve language

competency and the technique of 'guessing'. With regard to role conflict, the current study identified two new types, namely, role exclusion and liaison role conflict. New types of coping strategy were also discovered. These are: hiring bicultural staff and indirect active coping. Among these new types of role stress and coping strategies, lack of cultural understanding, communication problems, and hiring bicultural staff are concerned with cultural issues. Thus, these are not found in a mono-cultural context but only in an inter-cultural context. These new types of role conflict illustrate a lack of integration among staff in companies.

Second, the current study identified various sources of role stress. These are communication problems, work culture, cultural distance, and the position of expatriates. Similar to the new types of role stress types identified, the majority of these role stress sources are related to cultural issues. These types of role stress sources are, therefore, not relevant in a mono-cultural context but are applicable in an inter-cultural context.

Third, the findings showed a link between role stress and coping strategies, indicating that role ambiguity, role conflict, and coping strategy are inter-related, which is consistent with an earlier finding by Stahl (2000). It suggests that selection of coping strategies should be made by taking into account employees' role stress experiences.

The findings led to a theoretical implication that role stress and the coping strategies found in a mono-cultural context are not necessarily applicable in an intercultural context. Further research is required in inter-cultural settings.

Fourth, the results identify four different groupings of staff in Japanese companies in Australia. Staffing groups of Japanese companies in Australia are comprised of Japanese expatriate managers, non-Japanese local staff, local Japanese staff, and cultural integrators. This is contrary to past studies that state that overseas Japanese companies are composed of two groups, local staff and Japanese expatriate staff (e.g. Dedoussis 1994; White & Trevor, 1983; Kidahashi 1987; Yoshimura & Anderson 1997, p. 33).

Overall, these findings lead to a theoretical implication that role stress and coping strategy developed in a mono-cultural context are not necessarily applicable in an intercultural context. Coping strategies perceived as effective to alleviate role stress in overseas Japanese companies are identified in this research. Implementation of these strategies, however, requires taking into consideration: types of role stress experienced by employees, their cultural background, and their corporate culture.

Finally, the current study suggests development of positive relationships among staff is imperative to overcome a lack of integration among staff and establish successful white-collar management in overseas Japanese companies. Language and communication barriers are the long residing problems in overseas Japanese companies (e.g. Bamber et al. 1992; Tokusei 1994; Yoshihara 2001). The overall findings illustrate that removing these barriers, and enriching cultural understanding are the keys to improving integration among staff. In doing so, the 'us and them' mentality will be diminished and a shift will occur towards the growth of unity among staff.

White collar management of overseas Japanese companies is acknowledged as the 'dark side' as opposed to their successful blue collar management recognized as 'bright side' (Yoshihara 1989). This doctoral research has opened the path to elevate white-collar management of overseas Japanese companies to reside in the 'bright side'.

Limitations exist in this research. First, some of the sample sizes of the respondent groups and thematic issues were small. The level of generalizability of the findings is, therefore, unconfirmed. Second, the current study did not examine the level of role stress from the point of view of both parties of the role sets (role sender and focal person). Third, all of the Japanese expatriate staff in the current study were male. The findings are, thus, limited to male expatriates. Future research should, therefore, consider these limitations.

Furthermore, research in different intercultural settings should be carried out, such as

in Japanese companies located in Asian countries. There has been a significant increase in recent years in Japan's overseas direct investment in Asia (Ministry of Foreign Affairs of Japan 2005), and thus research in these countries is important. Finally, future research should be undertaken to discover how overseas Japanese companies can acquire valuable aspects of cultural diversity (e.g. Cox 1991; Cox & Blake 1991) and develop innovative and creative companies.