

Problems and Prospects in Cross-Cultural Interactions in Japanese Multinational Corporations in Australia

Yuka Sakurai

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Certificate of Authorship

I, Yuka Sakurai, hereby declare that, except where acknowledged, this work is my own and has not been submitted for a higher degree at any other university of institution.

Yuka Sakurai

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Abstract

As multinational corporations (MNCs) are extending their international operations they need to examine issues such as the localisation of human resource policies and management, and the effective use of local and expatriate managers. Examination of expatriate studies indicates a lack of attention given to the relationships between expatriate managers and local managers or the perspectives of local managers working in MNCs. This thesis attempts to fill these gaps by focusing on the cross-cultural interactions between expatriate and local managers. This thesis addresses the importance of positive cross-cultural understanding between Japanese expatriate managers and local managers in Japanese subsidiaries in Australia, and its effect on work-related outcomes such as job satisfaction and commitment to the organisation. It identifies macro and micro factors which are associated with levels of job satisfaction and commitment of Japanese expatriate managers and Australian managers with special focus on economic functions of industry, communication, and mutual perceptions. Conceptual models for predicting organisational commitment for Japanese expatriate and Australian managers are developed, and the validity of the models is empirically tested.

Australian managers and Japanese expatriate managers working for Australian subsidiaries of twelve Japanese-owned firms completed self-report questionnaires anonymously. A unique paired data set is used for particular analyses such as measuring communication and perceptions of each other. This thesis examines differences in work values and beliefs between Japanese expatriates and Australian managers on issues derived from structural and cultural features of Japanese MNCs; for example, the type of subsidiary-head office management (eg. strategic planning), integration of local managers, group-oriented decision making, and work ethic. It is found that there is a

significant gap in perceptions between Japanese and Australian managers with regard to corporate membership, but no significant differences are found in their opinions towards the strategic planning style of management. Contrary to our expectations, Australian managers are found to be more group-oriented than Japanese managers.

The characteristics of two industries, general trading firms (the *sogo shosha*) and manufacturing firms, are discussed and their impacts upon cross-cultural relationships and work attitudes of managers are examined. Findings indicate that Australian managers in manufacturing firms have more positive perceptions of work relations with Japanese managers and positive work attitudes than Australian managers in *the sogo shosha*. This suggests that manufacturing firms provide a more positive work environment to Australian managers than the *sogo shosha*, whereas cross-cultural interactions in the *sogo shosha* are not very effective, which may cause misunderstanding and mistrust between managers, and lower levels of job satisfaction and organisational commitment of local managers. The type of industry does not affect the work attitudes of Japanese managers or their perceptions of Australian counterparts.

A conceptual model for predicting the organisational commitment of Japanese and Australian managers are developed and tested empirically. Independent variables included in the model are: individual characteristics, type of industry, psychological integration of local managers into the Japanese organisation, work relations between Japanese and local managers and job satisfaction. Results indicate that job satisfaction, work relations and tenure have significant impacts upon organisational commitment of Australian managers. As for the Japanese managers, job satisfaction and tenure have significant impacts upon organisational commitment, but no association between work relations and organisational commitment is found. In addition, the relationship between

work relations and organisational commitment for the Australian managers is partially mediated by job satisfaction, however, this is not the case with the Japanese managers.

The findings of this thesis will improve our understanding of cross-cultural interactions between expatriates and local managers, increasing overall firm performance and improving the quality of cross-cultural relationships within contemporary society. Moreover, these findings will provide a wider perspective on understanding how organisations can implement localisation of management and integrate local managers into the organisation.

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