

New cultural space in constellations of logics:
Comparative ethnographic case study of a
Japanese multinational corporation (MNC) in
Asia and the West

by

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Abstract

This thesis extends the understanding of the constellations of logics in Japanese management practices in Asia and the West. By adopting comparative ethnographic case studies, this thesis explores the cultural meanings attributed to different institutional logics, including family, corporation, market and religion in each subsidiary site: Thailand, Taiwan, Belgium and the US. It contributes to the institutional logic approach in four distinct ways. First, the finding that logics themselves are culturally interpreted advances a relationship between logics and cultures. Second, the finding that Japanese 'family' logics and Theravada Buddhism strengthen each other elaborates the concept of logic compatibility. Third, the finding that the constellations of logics are ongoing and continuously formed in relation to geographical locations strongly supports the notion of contextual embeddedness proposed in cross national studies. Fourth, the finding that the boundaries of the organisational communities are not 'segmented' to Japanese expatriates but constructed through actors' profiles raises the importance of actors' profiles.

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Chapter 1:Introduction

1.1 Introduction

What we expected to hear from you is problem identification and solutions: what are the root causes at JapanCo group and their subsidiaries, and what we should do to resolve these ...

A middle manager in a Japanese multinational, known here with the alias JapanCo, approached me in the middle of dinner after I presented my research summary in a management seminar at JapanCo in March, 2015. I explained to him that I was conducting academic research, not a consulting project. He ignored this, leaving me feeling embarrassed. I had not intended to be there as a management consultant but nobody at the event that night seemed to be convinced of my identity as an academic researcher. This was not my first experience of this: during my research I often felt embarrassed when communicating with many informants who viewed me as a Japanese management consultant in JapanCo group I was sometimes asked to deliver advice on strategy and structure at JapanCo's subsidiaries. In fact, I delivered recommendations to the Japanese MD in JapanCo Thailand (JTHAI) in order to resolve tension between different divisions. I suggested that he form cross-functional teams to discuss these issues. Furthermore, in JapanCo USA

(JUSA), I advised the Japanese vice president (VP) to utilise local resources, rather than those of the headquarters of JapanCo (JHQ) because of the different standards in the US. Recognising me as an academic researcher, an American president expressed a passionate interest in my PhD thesis and wanted to read it once it was completed. In these interactions, my identity tended to swing between being viewed as a Japanese management consultant, an academic researcher at a British institution, and simply as Japanese.

The idea of this thesis emerged through my previous professional and personal experiences. It originally dates back to my late teens in a high school in the late 1980's when 'Japanisation' was happening (Oliver and Wilkinson, 1988; 1992). My father was a management consultant and educational instructor to Japanese multinational corporations (MNCs) who were entering, or had entered, the US market. At my home in Japan, he had often shared his consulting stories about how the Japanese way of management was resisted in the US because of cultural differences. In order to manage American employees, he emphasised the significance of teamwork to explain what Japanese management should be like. He asserted that Japanese management is based on the 'family' norm, although I did not really understand what that meant at that time. All the stories, as far as I remember, illustrated a vivid contrast of cultural differences: individualism and collectivism; professionalism and paternalism; direct and indirect communication; personal spaces in communication, etc. These all sounded very intellectually interesting to me and posed a question as to what causes these differences. After graduating from university, I worked in both Japanese and American corporations. Later, I started to work as an independent

management consultant dealing with intercultural issues in organisational development, and this motivated me to return again to this question, which I realised still remained unanswered. Since then, I decided to pursue this interest further in order to understand the differences between Japanese and Western management more fully.

This thesis now deals with those unanswered questions which I had in my mind. It extends the understanding of the constellations of logics in Japanese management practices in Asia and the West (Goodrick and Reay, 2011; Thornton et al., 2012). By adopting comparative ethnographic case studies, it explores the cultural meanings of 'family', corporation, market and religion in each site of the subsidiaries of JapanCo: Thailand, Taiwan, Belgium and the US. In so doing, the thesis addresses new 'cultural space' in an institutional logic approach (Thornton et al., 2012) in the sense that the constellations of logics in Asia are to some extent different to those in the West.

1.2 Audience of the thesis

There are three main groups of audiences. The first audience is institutionalists who theorise and examine institutional logics. These include Elizabeth Goodrick and Trish Reay, who developed constellations of logics (Goodrick and Reay, 2011; Waldorff, Reay, and Goodrick, 2013); Patricia H Thornton and her colleagues, who presented institutional logic perspectives (Thornton et al., 2012); Marya L. Besharov and Wendy K. Smith, who proposed a compatibility and centrality framework (Besharov and Smith, 2014); Sara Värlander and her colleagues, who examined constellations of logics across different countries

(Värlander et al., 2016); Royston Greenwood and his colleagues, who raised institutional complexity (Greenwood et al., 2011; 2011); Friedland and colleagues, who coined and continued to develop institutional logics (Friedland and Alford, 1991; Friedland et al., 2014); and Rick Delbridge and Tim Edwards, who proposed relational analysis (Delbridge and Edwards, 2007; 2013). The second audience is Japanese management scholars who investigate Japanese management practices. They are Nick Oliver and Barry Wilkinson, who elaborated Japanisation (Oliver and Wilkinson, 1988; 1992); Tony Elger and Chris Smith, who criticised Japanisation (Elger and Smith, 1994; 2005); Dorinne K. Kondo, who elaborate 'company as family' in a small Japanese firm in Japan (Kondo, 1990); Anita D. Bhappu, who proposed the existence of the 'family' logic in Japanese MNCs (Bhappu, 2000); and Abo (2015), who summarised and examined his past empirical research across different regions. The third audience is business managers who work with Japanese MNCs. These may be either Japanese or non-Japanese managers.

1.3 Structure of the thesis

Chapter 2 aims to identify gaps in current research, and specify the research questions these pose, by reviewing the existing literature on 'Japanese management practices'. The practices reviewed are primarily manufacturing practices and other practices identified with Japan. These are Total Quality Management (TQM) and Quality Control Circle (QC Circle), Just In Time (JIT), and a lifetime employment, and seniority based wages (Oliver and Wilkinson, 1988; 1992; Ackroyd et al., 1988). Here, the initial argument was whether

manufacturing practices can be transferred to Western regions as 'best practice'. Later, this universal model of best practice began to attract heavy criticism centred on a lack consideration for different geographical contexts such as social and economic conditions (Elger and Smith, 1994; 2005). A series of unsuccessful transfers of manufacturing practices leads to 'hybrids' of Japanese and non-Japanese management practices (Elger and Smith, 2005). Furthermore, other existing approaches and evidence are reviewed.

Nonetheless, this strong emphasis on transferring manufacturing practices overlooked another important aspect of non-manufacturing practice embodying cultural meanings such as the 'company as family' and employees as 'family' members (Kondo, 1990). In respect to the concept of the 'company as family', workers in Japanese MNCs are considered to be reciprocal 'family' members who share collective responsibility and identities. In this way, organisational harmony, a striving for consensus, seniority and slow promotion in exchange for a lifetime's employment are prioritised (e.g., Keys and Miller, 1984; Hatvany and Pucik, 1981). In light of this review, four research gaps within Japanese MNCs subsidiaries have been identified:

- Less emphasis has been placed on non-manufacturing practices
- Few in-depth comparative case studies have been conducted within a Japanese MNC spanning Asia and the West
- Little attention has been paid to the cultural meanings attributed to practices
- The manner in which Japanese expatriates and local employees

are organised has had little scrutiny

Hence, drawing on these research gaps, three research questions have been defined regarding Japanese MNC sales subsidiaries:

Does the focus on the subsidiaries of a Japanese MNC help to illuminate

- How non-manufacturing practices are being conducted across Asia and the West?
- How different cultural meanings are being attributed to non-manufacturing practices across Asia and the West?
- How Japanese expatriates and local employees are being organised?

Japanese MNCs across borders are expected to generate hybrids (Elger and Smith, 2005; Endo et al., 2015). These hybrids and changes can only be interpreted through attributing meanings in practices across Asia and the West. Drawing on Abo (2015), Asia is defined as primarily South East Asian countries and East Asian such as South Korea, Taiwan, and China, while the West means Western European and North American countries such as the UK, Belgium, and the US. The institutional logic approach offers a way of focussing on the variety of meanings attributed by such practices, in order to illuminate how meanings

are culturally and institutionally attached to Japanese management practices across Asia and the West.

Chapter 3 aims to formulate a conceptual framework in order to analyse practices across the subsidiaries of a Japanese MNC. It builds on the current literature on institutional logic (Thornton et al., 2012) and constellations of logics (Goodrick and Reay, 2011; Värlander et al., 2016) with a compatibility and centrality framework (Besharov and Smith, 2014), and applies the insights to different geographical contexts in which the Japanese MNC's subsidiaries operate. Constellations of logics are composed of cooperative as well as competitive relationships among logics, possibly illuminating the complicated processes involved in a Japanese MNC. Furthermore, given the constellations of logics, the 'family', corporation, market, and religion are identified and elaborated. In particular, non-market logics such as 'family' and religion are identified as areas of focus. 'Family' logic is rooted in Japanese society where Japanese management practices are born and inculcated. 'Family' logic in Japanese management does not depend upon whether or not a company is owned by a family. Rather, it operates among the interpersonal relationships between management and employees as Japanese reciprocal relationship based on *ko* and *on* (returning favours to one's parents) within a firm, characterising 'company as family' (Kondo, 1990). Lifetime employment, teamwork, and consensus-orientation are closely associated with the 'family' logic. Other religion, market and corporation logics are also examined. These logics are targeted to characterise and interpret practices in a Japanese MNC. They are deeply rooted in geographical communities in the subsidiaries of Japanese

MNCs. Their relationships can be quite different in Asia and the West.

Chapter 4 aims to identify the research design and justify the research methods in order to answer the research questions. 'Practice theory' (Giddens, 1984) is combined with an institutional logic approach, subsuming all the levels of analysis, such as individuals, organisations and society (Friedland and Alford, 1991) into a comprehensive concept of 'practices' as an "ongoing series of practical activities" (Giddens, 1976, p81). The purpose of the research is to understand the cultural meanings of practices through constellations of logics. Comparative ethnographic case study is selected as the main type of research. It is comparative across not only Asia but also the West, where constellations of logics were originally identified and theorised. It is ethnographic since 'at home ethnography' is adopted. It is quite important to have 'natural access' to the research target, a Japanese MNC, rather than as 'a professional stranger'. Furthermore, Besharov and Smith's (2014) compatibility and centrality framework is fully adopted. Through my natural settings, JapanCo is selected as a case. I have long known the Japanese MNC as my father's client. Some of the interviewees have known me since I was young, although I did not necessarily remember them. Data collection and analysis are organised based on 'at home ethnography' (Alvesson, 2009). Thus, the interpretation of data starts from the beginning of data collection and only finishes at the end of the writing-up process. Through the iterative process of interpretation, self-reflexivity is promoted and utilised. I examined and interacted with the meanings of the topic not as 'a neutral data collector' but as an 'active and reflective' agent (Mason, 2002).

Chapter 5 provides relevant background for interpreting the remaining

empirical chapters. With the alliance partner, AmericaCo, JapanCo is characterised as a unique and atypical Japanese corporation, possibly causing complex cultural meanings in practices through varied constellations of logics. Here, two major elements influencing the cultural interpretations of each subsidiary in terms of collective identities are provided: the main type of customers locally and the dependence on JHQ. Identified as 'a typical Japanese company', JTHAI seems to be quite associated with Japanese management practices with a large Japanese customer base. It is also quite dependent on JHQ in terms of their products and services. By contrast, JUSA and JEU have a strong influence from AmericaCo and their local customers, thereby being identified as 'an American company' and a mixture of a Japanese and a European company' by their local employees. JTAIW is facing a change in its customer base from Japanese to non-Japanese, such as Taiwanese and Chinese yet being identified as 'a Japanese company'. Furthermore, an examination was also made of the dependence on the resources of JHQ where research and development functions are concentrated. In particular, JUSA is relatively independent from JHQ because of their manufacturing and R&D functions, while the others, such as JTHAI, JTAIW, and JEU, are quite reliant on manufacturing and R&D resources in JHQ. These subsidiaries have to communicate frequently with JHQ in order to enquire about and negotiate prices, delivery and the qualities of the products.

Chapter 6 aims to understand how aligned practices in customer development are conducted and culturally interpreted through cooperative relationships between logics. Targeted practices are study groups, on-the-job

training, and sales follow-up. There are two main findings that are identified in this chapter. First, the Japanese 'family' and Thai Theravada Buddhism logics are culturally interpreted according to their national cultures. The Japanese 'family' is governed by reciprocal '*ko*' and '*on*' relationships, rather than the 'unconditional loyalty' which legitimates the Western 'family' (Thornton et al., 2012). '*Oyabun Kobun*' and '*Senpai*' are expressed as a burden of Japanese 'family' members: '*Ongaeshi*', repayment to those whom one owes a debt to, especially in the context of a child or subordinate who is obligated to return the favour to its parents or seniors for the nurturing they offered. Furthermore, the Thai Theravada Buddhism logic is also culturally interpreted and differently enacted. Both Japanese 'family' and Thai Theravada Buddhism once again highlight the limitations of the current Western institutional logics perspective, eventually implying that these perspectives cannot be universally applied. Second, culturally enacted logics can be amplified in a cooperative manner. This finding directly elaborates on the compatibility of logics (Besharov and Smith, 2014) and the presupposition of amplification itself (Greenwood et al., 2010; 2011).

Chapter 7 aims to understand how contested practices in work and employment are conducted and interpreted through contextually competitive relationships among logics which may coexist and in turn conflict. Targeted practices are job delegation, performance appraisal and socialisation. The main finding that the constellations of logics are ongoing and continuously formed in relation to geographical locations demonstrates the 'contextual embeddedness' of national and organisational contexts (e.g., Giorgi et al., 2015; McPherson and

Sauder, 2013; Värlander et al., 2016; Delbridge and Edwards, 2013; Smets and Jarzabkowski, 2013). This is because contextually enacted logics do not necessarily 'win' or 'lose' for lengthy periods of time in practice. Although there are means to deal with and finally resolve the competitive relationships, e.g. 'actors' active collaboration' (Reay and Hinnings, 2005; 2009), 'compartmentalisation' (Greenwood et al., 2011), these are not adopted here to mediate the competitive relationship. Rather, negotiation and conflict continue to be constantly played out by actors on an ongoing basis. This further negates the concept of one-off 'segmenting' which aims to separate the impacts of logics on different actors, geographical communities and organisations once and for all, in order to solve the conflicts caused by competitive relationships (Goodrick and Reay, 2011). Furthermore, the constellations of logics are, to some extent, different in Asia and the West. This elaborates the geographical communities in which specific logics are rooted (Värlander et al., 2016; Marquis and Lounsbury, 2007; Lounsbury, 2007). In Asia, the 'family' logic is enacted through the practices of employment. By contrast, in the West, the market logic is strongly enacted by performance appraisal and socialisation (see 7.3.1.2). As Abo (2015), Lounsbury (2007) and Värlander et al. (2016) point out, geographical location matters. This does not, however, mean that the geographical locations in Asia and the West automatically determine the competitive relationships between logics.

Chapter 8 aims to understand how estranged practices in work organisations are interpreted through ceremonial aspects and how actors in turn are organised. It also corresponds primarily, but not exclusively, to the third

research question of how Japanese and locals are organised. Targeted practices are communication with JHQ about the performance evaluation of Japanese expatriates, business results, and locals' complaints. The main finding of this chapter is that the boundaries of organisational communities are not 'segmented' to Japanese expatriates but constructed through actors' profiles. The finding further elaborates on the receptivity of 'intraorganisational communities', which is supposed to greatly affect the given meaning of logics in the subsidiaries. Greenwood et al. (2011) argue that receptivity may be strongly affected by 'the thickness of ties' of organisational communities to their organisational fields. At first sight, this seems to support Japanese organisational communities. Japanese expatriates are structured as the dominant organisational community, manifesting *uchi*, the inside group of the ethnocentric 'family' (Kondo, 1990). The boundaries of these organisational communities are not prefixed, however, but contested and dynamically redrawn in relation to actors' personal profiles. Here, the boundaries are occasionally contested by examining who becomes a 'family' member through their 'active participation'. Moreover, the receptivity of Japanese organisational communities is greatly affected by actors' profiles, as is strongly implied by Suddaby et al. (2012) and Battilana and Dorado (2010). This indicates that the organisational communities are constructed through actors' 'life history' in terms of logics, as Battilana and Dorado (2010) implies, rather than by the organisational field structures (Greenwood et al., 2011).

Chapter 9 summarises the key findings, their significance, the implications for managers, and limitations and future questions. The four main findings and their contributions are located in the constellations of logics. First,

the finding that logics themselves are culturally interpreted advances a relationship between logics and cultures (e.g., Värlander et al., 2016; Thornton et al., 2012; Giorgi et al., 2015). Second, the finding that the Japanese 'family' logics and Theravada Buddhism strengthen each other elaborates the concept of the compatibility in multiple logics (e.g., Besharov and Smith, 2014; Goodrick and Reay, 2011; Greenwood et al., 2010; 2011). Third, the finding that the constellations of logics are ongoing and continuously formed in relation to geographical locations strongly supports the notion of contextual embeddedness proposed in other cross national studies (e.g., McPherson and Sauder, 2013; Värlander et al., 2016; Delbridge and Edwards, 2013; Smets and Jarzabkowski, 2013). Fourth, the finding that the boundaries of the organisational communities are not 'segmented' to Japanese expatriates but constructed through actors' profiles raises the importance of actors' profiles (e.g., Suddaby et al., 2012; McPherson and Sauder, 2013; Battilana and Dorado, 2010).

Chapter 2:Recent Development of ‘Japanese management practices’

2.1 Introduction

This chapter aims to identify the research gaps and their accompanying questions by reviewing the existing literature on ‘Japanese management practices’, meaning the practices identified with Japan. It is divided into six sections. First, the manufacturing practices at Japanese manufacturing plants are reviewed. Second, non-manufacturing practices are examined through their embodied cultural meanings. Third, the cultural meaning of ‘company as family’ is elaborated. Fourth, the cultural meanings for practices are considered to be different between Asian and Western regions. Fifth, other existing approaches and evidence are reviewed. Finally, a concluding section attempts to summarise the research gaps on the basis of the existing literature and ultimately to determine the research questions to be answered.

2.2 Japanisation as a diffusion of manufacturing practices

First, the historical development of Japanisation is discussed. The concept of Japanisation emerged with the growing interest in competitive Japanese corporations (e.g., Pascal and Athos, 1982; Schonberger, 1982). From the 1970s, Japan’s economic success led management scholars to examine the practices of major corporations; an increasing interest in Japanese firms and Japan stems from its economic growth until the 1980s. The study of Japanese firms was clearly a hot topic at that time, when Vogel (1979) identified Japan as the ‘Number One’ economy in the world, and as a lesson for Americans. In this

era, the situation in Japan was an exciting topic, and the manufacturing practices identified with Japan were seen as 'best practice' as well as a source of a firm's competitive advantage (Oliver and Wilkinson, 1988; 1992). After the economic bubble burst in the 1990s, however, these practices were seriously questioned and criticised.

2.2.1 Japanisation with the success of the Japanese economy during the 1980s

With a strong emphasis on manufacturing practices, Peter Turnbull (1986) analysed how a Western company in the UK, the components' supplier 'Lucas Electrical', adopted the manufacturing methods used by large Japanese companies, these being methods such as Just In Time (JIT) and Quality Control Circle (QC Circle). Using a case study method, he chronologically analysed the whole process, from the introduction of these production techniques to the organisational arrangement for developing these methods. Following this, Oliver and Wilkinson (1988; 1992) published 'The Japanisation of British industry', identifying and measuring the diffusion of Japanese management practices and culture in Western countries. Here, they defined Japanisation as:

An umbrella term to refer to the process by which some aspects of UK industry appeared to be converging towards a Japanese-style model of management practice. This process encompassed two strands – emulation of Japanese manufacturing methods by Western manufacturers and also the increasing volume of Japanese direct

manufacturing investment in Western economies. (Oliver and Wilkinson, 1988, p1)

Both practices of convergence and direct investment went hand-in-hand in the UK, in the sense that both of them could be causes and effects. This extended the concept of Japanisation in relation to personnel practices and business policy in social and economic contexts. In addition to carrying out a survey, they adopted case studies of Japanese and British manufacturers in the UK focusing primarily on production techniques, in particular Just-In-Time (JIT), and secondarily on personnel practices, labour policy and even work organisation. The motivation for adopting these practices was to acquire the same competitive advantage achieved by Japanese MNCs.

Oliver and Wilkinson (1988) demonstrated the interdependencies between each practice and the external environment. Manufacturing practices such as JIT and TQM demand teamwork and cooperation, with a commitment from employees in exchange for seniority and lifetime employment (where their jobs are secured until retirement age). Moreover, these interdependencies went hand-in-hand with cooperative relations between buyers and suppliers, with finance institutions, trade unions and workers. Thus, the manufacturing practices are not stand-alone but dependent on other practices and particular social, economic and political conditions, these being similar to those of Japanese society. These supportive conditions, for example, could be a labour surplus of young workers, a new manufacturing site welcoming recent practices, stable industrial relations, cooperative workers and trade unions, all supporting a set of

'Japanese style industrial organisation'. This study therefore brilliantly succeeded in presenting a snapshot of what was happening in the manufacturing plants in the UK.

Making a comparison with the data presented in the first edition of their book in 1988 with their second edition, Oliver and Wilkinson (1992) indicated the relatively unsuccessful results of adopting Japanese manufacturing practices in 1991. This demonstrates the 'obstacles to Japanisation' in the UK, indicating that this approach could be 'culturally embedded' in Japan. One obstacle is, for example, "the paternalism of the personnel practices", entailing "the dilution of occupation-specific expertise and the salience of internal promotion" (p328), thereby denying individual rights and the mobility of the workers. Another obstacle is the long-term relationship between buyers and suppliers which eventually leads to large corporations passing on 'the cost of holding inventories' to the suppliers. They also exert control over the trade unions inside the supply companies, thereby reducing the autonomy of the suppliers. A further example of an obstacle is that of a collaborative, single, strike-free, enterprise trade union which coexists with company advisory boards. This consists of union and non-union members, thereby contradicting the adversarial role of a trade union based on industry and occupations. In addition, Japanese banks which provide 'low-interest' and 'long-term loans', contrast with British banks which are oriented to 'a short term profit mentality' based on the stock market in the UK. Notwithstanding this, Oliver and Wilkinson (1992) concluded that these obstacles could be overcome by establishing 'functional equivalents' to the conditions found in Japan. For example, workers could be trained to be familiar

with paternalism and trade unions could be managed by setting up a company advisory board.

Ackroyd et al. (1988) in 'The Japanisation of British industry?' also observed these interdependencies among manufacturing practices, as well as their external conditions but reached a different conclusion. This study offered a critique of the term 'Japanisation' as a homogenous phenomenon, by comparing and contrasting the different socio-economic systems of Britain and Japan. Bearing in mind the societal and economic environment, they examined the concept of Japanisation from shop-floor practices to institutional contexts, examining areas such as the employment system, the labour market, finance, and investment policy. They also pointed out how social and economic conditions in Britain are distinctively different from those of Japan. This is because these conditions in Britain involve a 'lack of integration' between finance institutions and manufacturers, have 'highly fragmented' capital in the global economy, are not manufacturers, and there is no state intervention to manage demand or orchestrate industrial development (Ackroyd et al., 1988). Thus, they concluded that the success of Japanisation was embedded within a society in which a set of social and economic relations supports its preferable conditions; this underlines the dangers inherent in transferring Japanese management practices.

2.2.2 Critiques of Japanisation after the bubble economy in the early 1990s

At the beginning of the 1990s when the Japanese bubble economy burst, the

Japanese economy started to decline and had minimal growth (Keizer, 2012). In line with this economic stagnation, Elger and Smith (1994) published a book entitled 'Global Japanization?', which seriously questioned the optimistic assumptions of Oliver and Wilkinson (1988; 1992) that Japanese management practices could be transferable as best practice across different geographical contexts. Their work provides a series of unsuccessful cases where the manufacturing practices of Japanese and non-Japanese corporations were transferred in North America, Europe and Latin America. As regards 'Subaru-Isuzu Automotive' (SIA) in the US, Graham (1994) described the American workers' resistance to Japanese corporation rituals such as 'morning exercises, team meetings, department meetings and company celebrations'. Here, collective and individual forms of resistance to the rituals emerged in various forms: a refusal to do exercise, anonymous letters, conflict over shift rotations and leaving a moving assembly line.

In terms of the Canadian Automotive Manufacturing Inc. (CAMI), 'a unionized joint venture automobile assembly plant' in Canada, Rinehart et al. (1994) found that Canadian workers were barely motivated to participate in Japanese manufacturing practices, such as continuous improvement and the suggestion programmes, eventually characterising them as 'a polite way to get more out of us'. Given these unsuccessful cases in a concrete setting, it is perhaps not surprising that Elger and Smith (1994) raised serious doubts about the transferability of Japanese management practices as innovative best practices. In their study, they identified a Japanese corporation as a 'transplant'; a mechanism in which Japanese management practices, (primarily

manufacturing practices but also personnel) could be transferred to different geographical locations, except in Japan.

Later on, Elger and Smith (2005) published a study entitled 'Assembly work', characterising the practices in Japanese MNCs as 'hybrids', thereby reflecting societal effects in both the home and host countries, such as 'different national institutions, cultures, and histories' (p58). Conducting five case studies of Japanese MNCs in the UK, Elger and Smith (2005) examined how Japanese MNC plants in the UK operate differently in terms of the policies and practices surrounding a manufacturing function. These can be seen in: '*Nemawashi*' (consensus orientation), '*Ho Ren So*' (information sharing), lifetime or long-term employment, seniority and 'on-the-job' training. However, these practices may be applied differently because a manufacturing plant can be "a strong mediator of both home and host countries effects" (p365). This makes it possible to view these effects differently according to each plant, each in a different company network of suppliers, customers, and with their own headquarters. On the one hand, a large plant may draw on best practice within its parent company and sister plant; while on the other hand, a small plant may have a limited sized network and thus experience greater influence from its customers. In this way, the effects of home and host countries on manufacturing practices are mediated by each plant in a given location, their relationship to other subsidiaries and their parent companies.

Nonetheless, the concept of the 'hybrids' has only been analysed in comparative case studies of Japanese manufacturing plants primarily in the UK. Here, there is space to examine how non-manufacturing practices are

conducted and interpreted across different cultural contexts. Thus, the next sub section discusses non-manufacturing practices and their attributed meanings.

2.3 Examining non-manufacturing practices through their cultural meanings

This section aims to review the non-manufacturing practices identified with Japan within the subsidiaries of Japanese MNCs. 'Japanese management practices' consist not only of manufacturing but also non-manufacturing practices; the latter, however, have been explored less thoroughly by Japanese management scholars (e.g., Oliver and Wilkinson, 1988; 1992, Elger and Smith, 1994; 2005). Considerable attention is devoted to the cultural meanings embodied through non-manufacturing practices although very little literature talks to non-manufacturing practices only. These practices are expected to embody the cultural meanings of Japanese paternalism in an explicit or tacit manner: these can constitute a group consciousness, a father-and-son relationship and an intimate relationship, loyalty to a company, and reciprocity and obligation (e.g., Kondo, 1990; Keys and Miller, 1984; Hatvany and Pucik, 1981). Such 'family' norms are more likely to be culturally embodied in the non-manufacturing practices than in the manufacturing practices: Japanese and local customer development, corporate philosophy, personnel practices, such as long-term employment, seniority, sharing information, performance, and the job itself. Here, the actual categories of non-manufacturing practices are identified through the empirical data analysis of this thesis, as shown in the titles of the later empirical chapters: chapter 6 on customer development; chapter 7 on work and employment; chapter 8 on work organisation.

2.3.1 Customer development: the Japanese 'family' norm

Customer development is discussed through the practices of on-the-job training, study groups, and sales follow-up (See chapter 6). To date, customer development by Japanese MNCs has been put aside as a mere background to case studies. This depends on how an overseas plant operates within a Japanese MNC. A further enquiry could determine who the customers are at a given subsidiary. Elger and Smith (2005), for example, define overseas Japanese plants without sales and marketing functions as 'branch plant[s]', the role of which is located within a wider corporate structure and thereby 'orchestrated from the centre'. Such a 'branch plant' is therefore expected to carry out manufacturing rather than sales and marketing since internal sales and marketing departments are responsible for the role of sales generation. Hence, there are two types of Japanese MNC plant empirical studies: plants with local sales and marketing functions and those without. Nonetheless, relatively little attention has been given to this distinction, given the strong emphasis on the manufacturing methods of Japanese MNCs.

Elger and Smith (2005), while focusing on manufacturing methods, signify that 'the role of site' within a Japanese MNC group may colour the relationship between Japanese and local managers within its subsidiary. Here, the role of the plant and its corporate group was central to Japanese and British managers. One of the Japanese comparative cases in the UK concerned the regional manufacturing plant 'Copy-Co', which has only a production function and no sales and marketing because it is managed by one plant in the European

regional organisation. Its immediate customers are actually marketing organisations and therefore any change in one market cannot be directly influential, but is mediated through its regional internal structures and strategy policies. This has resulted in less focus on quality than with other independent Japanese plants with sales and marketing sales functions in the UK. Thus, the role of the subsidiary site within its corporate group is likely to affect the relationships between Japanese expatriates and local employees.

Here, the customer development practice of Japanese MNCs is partially elaborated and analysed as a Firm Specific Advantage (FSA) of the Japanese MNCs. Collinson and Rugman (2008) argue that 'customer-led new product development' is strongly associated with the existing Japanese corporate customers rather than local customers in a host country. Citing the comparative case studies of Nippon Steel, they indicate that their long-term relationship with the existing Japanese customer enables 'customer-led new product development' to be one of the sources of Japanese MNC competitiveness. Nippon Steel and its major Japanese customers, such as Toyota, have even established joint steel research and development (R&D) organisations. This long-term customer relationship enables Japanese MNCs to develop new products, and may include *Keiretsu* corporations (a group of corporations) as customers.

In terms of corporate customer development, *Keiretsu* relations may be relevant to understand how practices can be conducted through Japanese customers. Bhappu (2000) argues that *Keiretsu* and groups of corporations are derived from merchant 'family' businesses in the era of feudalism during the Edo

period of the 17th to 19th centuries. She states:

Among the *ie* of the lower classes, the merchant *ie* were the structural precursors of modern Japanese corporations. Merchant households frequently established *bunke* (branch) *ie* beside the *honke* (main) *ie*. This enabled them to expand their distribution channels geographically. It also provided a way for the "corporate" merchant *ie* to perpetuate itself as an entity from one generation to another. (Bhappu, 2000, p411)

Here, '*ie*' in Japanese is a household in English. This '*honke*' and '*bunke*' arrangement refers to '*douzoku*' in the period of feudalism; in other words the so-called '*keiretsu*' in the modern world, 'the hierarchically organized set of *bunke ie* around the central axis of the *honke ie* within a family' (Bhappu, 2000, p411). Initially, this group was awarded rank and status due to 'its genealogical distance from the '*honke ie*'. In a later generation, these can change according to economic environments. Some original '*bunke ie*' may become '*honke*' to a newer household. Similarly, some '*honke ie*' may begin new businesses on their own.

Furthermore, Kondo (1990) argues that this concept of 'family' as a Japanese corporate network became evident in the Meiji Civil Code ('*Minpo*') in the Meiji Era (1868-1912). In contrast to the previous '*bunke ie*' which did not necessarily have a blood relationship with '*honke ie*', the Meiji Civil Code limits

the successor of '*honke ie*' to "all households of sons or brothers regardless of the economic arrangement made by the parental household" (Kondo, 1990, p169). Then, as '*bekke*' declined, "employees were outsiders treated like 'family' in cases where the employer wished to demonstrate benevolence" (Kondo, 1990, p172). Eventually, this triggered 'the so-called fictive kinship and enterprise familialism' in Japanese corporations in the modern world. Later, before World War II, this familial concept was further developed as "the theory of *kokutai*: the state as a household with the emperor as its head", being enshrined in the Imperial Rescript on Education of 1890 (Kondo, 1990, p173). The 'family' norm was therefore historically manifested not only in the household but also in corporations and the state. This notion of Japanese 'family' is expected to be reinforced and supported by Japanese corporate customers.

Indeed, the FSA of Japanese MNCs is strongly associated with Asian regions where there are many Japanese customers, rather than Western regions (see 6.2). Here, Asia means primarily South East Asian countries and East Asian countries such as South Korea, Taiwan, and China, while the West means Western European and North American countries such as the UK, Belgium and the US. Collinson and Rugman (2008) conclude that this relationship with Japanese customers also constitutes 'relational embeddedness' where Japanese MNCs are deeply involved with Japanese customers. This 'relational embeddedness' eventually comes to limit their expansion in Asia because their Japanese customers are largely located in the Asia region. For instance, Nippon Steel was not able to transfer R&D organisations to Europe and North America because of local incumbent suppliers. This is also because

Asian societies are culturally close to Japan. Japanese kinship and interpersonal relationships are recognised in some Asian countries according to Collinson and Rugman (2008). Hofstede et al. (2010) have also proved a close cultural distance between Japan and other Asian countries in terms of the preferences for collectivism. Japanese MNCs tend to be located in a home region of Asia where Japanese management practices are more culturally accepted.

Unlike Japanese customers, however, non-Japanese customers have not been discussed a great deal locally. Conducting a longitude study of Japanese major trading corporates, Goerzen and Makino (2007) explore the initial international expansion of Japanese MNCs. They explain that the “early development of Japanese trading companies’ international expansion through FDI is best characterised as ‘follow-the-customer behaviour’ exploiting the existing ties with Japanese manufacturers in foreign countries, rather than searching for new customers abroad” (Goerzen and Makino, 2007, p1161). This high dependency on domestic Japanese customers is in fact applicable to Japanese MNCs not only in the manufacturing industry (Chang, 1995) but also in the finance industry (Whitely et al., 2003) and the service industry (Goerzen and Makino, 2007).

The international development stage at a Japanese MNC may be associated with Japanese customers therefore. Goerzen and Makino (2007) indicate how Japanese expatriates tend to monitor local employees rather than become involved themselves in the development of non-Japanese customers. In short, the initial internationalisation of Japanese MNCs tends to be highly dependent on their own Japanese customers going abroad. This strong

Japanese customer relationship is also discussed as part of '*Keiretsu*', with groups of corporates forming an external network of Japanese MNCs (Bhappu, 2000; Kondo, 1990). With Japanese corporate customers, the 'family' norm is expected to exist to some extent and may influence our understanding of how Japanese and local employees conduct their practice. Thus, the distinction between Japanese and non-Japanese customers may influence customer development practices.

Notwithstanding the intimate relationship between Japanese MNCs and Japanese customers, Japanese MNCs' sales subsidiaries have not been able to shed light on their relationships with their customers locally in a given geographical location. This clearly echoes the strong tendency of Japanese management to elaborate manufacturing methods, rather than, for example, the sales and marketing functions of Japanese MNCs. In addition, it is considered that customer development practices are greatly influenced by the types of customers, whether Japanese or local. Thus, customer development practices can be conducted and interpreted very differently across Asian and Western regions.

2.3.2 Work and employment: Collective responsibility for the 'family'

Work and employment in subsidiaries are discussed through units of practices, such as job delegation, performance appraisal, and socialisation (see chapter 7). All these practices may be strongly associated with and reinforced by a collective responsibility for the 'company as family'. In other words, these can be characterised as 'teamwork', 'team orientation', 'group consciousness', and

'collectivism'. Nonetheless, these expressions may simply be interpreted as 'family' norms and relationships by 'Western' researchers who have studied Japanese management with reference to Japanese society.

As a manifestation of 'family', the corporate philosophy that Japanese MNCs normally articulate is where a corporation is 'the family' sharing 'a common destiny' (Kondo, 1990), and 'collective responsibility' (Keys and Miller, 1984) (see 7.2). Hatvany and Pucik (1981, p471) further elaborates the detailed meanings of the 'family' behind team orientation and personnel practices.

The "family" is a social group into which one is selectively admitted but which one is not supposed to leave, even if one becomes dissatisfied with this or that aspect of "family" life. The cultivation of a sense of uniqueness can provide an ideological justification of the limited possibilities for interfirm mobility. Reciprocally, the commitment of the "family" to the employee is expressed in company policies of avoiding lay-offs and providing the employee with a wide range of supplementary benefits. Without reasonable employment security, the fostering of team spirit and cooperation would be a nearly impossible task (Williamson & Ouchi, 1980). The ideal is to reconcile two objectives: pursuit of profits and perpetuation of the company as a group.

These underlying meanings are strongly implicated and embodied in all the

managing employee practices, such as team orientation, personnel practices, and socialization. The 'family' life, albeit superficially similar to teamwork in English is based on 'wa' in Japanese, 'harmony' in English. Hatvany and Pucik (1981, p471) further argued:

Among the norms of family life, *wa* (harmony) is the component most often emphasized in company philosophies. The concept of *wa* expresses a "quality of relationship ... teamwork comes to mind as a suitable approximation". *Wa* is the watchword for developing the group consciousness of the employees and enhancing cooperation (Hatvany and Pucik, 1981, p471).

This 'family', articulated in the corporate philosophies of many Japanese MNCs, is based on Japanese society where harmony is enhanced among employees, unions, customers and suppliers. That the English word 'teamwork' is actually mentioned characterises this harmony, but may not be accurate. Instead, collective responsibility for a common destiny underpins the practices requiring cooperation and teamwork (Keys and Miller, 1984). In these studies, the 'family' as a social group provides employment security and fosters teamwork and group consciousness in return.

The meaning of the 'family' is culturally interpreted with a strong sense of collectivism, such as collective identities (Kondo, 1990) and collective responsibility (Keys and Miller, 1984). Here, Kondo (1990) argues for a culturally

interpreted meaning of the 'company as family', examining the crafting of individuals through the construction of collective identities. This examines "how people envision their belonging - or lack thereof - to encompassing entities like 'company' and 'family'" (p44). Collective identities are constructed on the assumption that the concept of the 'company as family' often allows actors to share responsibility and authority. Keys and Miller (1984) echo this emphasis on collectivism and further explain that it is one of underlying factors resulting in many Japanese management practices. In addition to a 'Long run planning horizon' and a 'Commitment to lifetime employment', they define 'Collective responsibility' as one of 'fundamental factors' that underlies practices. This highlights 'the soft S's of staff, skills and style', 'company unions rather than craft unions', 'emphasis on teamwork and cooperation', 'consensus decision-making', 'participative management', 'trust and interdependence and quality circles' (Keys and Miller, 1984, p349).

In line with the 'family' norm and with the emphasis on collective responsibility and reciprocal relationships among its members, a person who joins a Japanese MNC intends to be adopted as a 'family' member, and then "becomes linked to its destiny until the very end" (Elger and Smith, 1994, p94). This is not a mere contract which an employer and an employee make as normally observed in the West (Ferner, 1997). This is why many practices identified with Japan, such as lifetime employment, seniority, QC Circle "reinforce the family feeling, for [a] Japanese company [which] is a community of people who share a common destiny" (Kondo, 1990, p161). This 'family' concept further enhances group orientation and cooperation, thereby leading to the

sharing of information, performance and jobs through particular practices.

The QC Circle, for example, may be utilised in sales and marketing functions as a sharing concept, such as sharing information, performance and jobs. This originally concerns a small group working on the shop floor which discusses and solve issues. According to Oliver and Wilkinson (1992), a small group normally consists of five to ten people who attempt to improve quality and productivity in a voluntary manner. This originally comes from the quality circle movement in 1962 which was triggered by Genba-To-QC (Quality Control for the Foremen). In the QC Circle, the meeting was voluntarily initiated as part of self-development and mutual development, utilising a quality control technique. QC members used the 'seven statistical tools', a set of statistical tools and techniques to solve a problem: "Pareto analysis, cause and effect (fishbone diagrams), stratification, tally cards, histograms, scatter diagrams and Shewart control charts" (Oliver and Wilkinson, 1992, p23). As a result, the QC Circle functions as a "participative mechanism' which increases job satisfaction and commitment, good management and employer relations,' and which 'improves morale and opportunities for self-actualization'" (Yap, 1984; Ishikawa 1984) (Oliver and Wilkinson, 1992, p24). These concepts of participation, cooperation, and group orientation are all underpinned by a collective responsibility and reciprocal relationships in the 'family'.

Similarly, the set of personnel practices which Japanese multinationals adopt strongly assumes that there are 'family' relationships among organisational members (see 7.3, 7.4). These constitute seniority-based promotion and the lifetime/long-term employment, both of which are seen as

Japanese management practices that have existed since the 1980s (e.g., Anderson and Hill 1983; Lincoln et al., 1978). Both lifetime employment and the recognition of seniority are a set of practices which support high commitment and loyalty among employees. Nonetheless, some of these practices seem to be changing into practices adopted in the West, such as with performance-based pay. Performance-based promotion and pay are now a hot topic in Japanese personnel practices, not only for their competitive advantages, but also for the universality of performance-based evaluation (Bae et al., 2003; 2011). Sumihara (1999) assert that the significance of the egalitarian norm make Japanese expatriates in the US evaluate many American employees highly without any differentiation in this evaluation (see 7.3). In the same way, intensive socialisation is identified not only through corporate training for the newly hired but also through social events, dinners and lunches, company events, and even golf (Hatvany and Pucik, 1981) (see 7.4). This may still occur occasionally between a manager and his subordinates; Japanese managers tend to spend time talking to their subordinates in order to understand their personal attributes and personalities.

Moreover, personnel practices previously identified with Japan may no longer be Japanese management practices owing to the changes after the bubble economy burst in the early 1990s. Lifetime employment, for instance, is still supported by some Japanese corporations, while seniority is no longer adopted by others (Keizer et al., 2012). At the same time, performance-based pay, as opposed to a seniority-based wage, may be adopted by some Japanese corporations (ibid). Similarly, with comparative Japanese corporation studies in

Japan, Morris et al. (2006) have investigated how Human Resource Management (HRM) practices have changed within Japanese corporations. They argue that organisations are becoming flatter and have less hierarchical structures. They also maintain that the idea of lifetime employment still remains but the seniority-based pay system is diminishing. This confirms the point of Watanabe (2000) that 'the seniority system is being sacrificed' in order to keep lifetime employment, raising the possibility that there is a change in Japanese management practices.

Behind these practices, all the 'family' members are assumed to 'share a common destiny' with an emphasis on collectivism. They tend to cooperate and collaborate under the notion of the 'company as family', prioritising organisational goals over individuals, although this is contested (Kondo, 1990). At first, this led to arguments that Japanese management practices were no more intrinsic to Japanese societal and cultural consequences than to efficient economic activities (e.g., Keys and Miller, 1984). In a sense, practices can be transferred but attributed meanings may be variously appropriated according to the locations and actors. Manufacturing practices may appear to be transferred 'as they are' but the actors in a given location may attribute different meanings to them, possibly leading to different interpretations of the practices, such as sharing information, jobs and performance.

In Asia, the norm of the family and its collectivistic character may well be accepted. For example, Japanese MNCs in Thailand tend to transfer Japanese personnel practices, such as that of lifetime employment, seniority and intensive socialisation. Atmiyanandana and Lawler (2003) describe this as an

'acculturation' process of hiring fresh graduates, socializing them into corporate values, and promoting them from within. Moreover, this process does not appear to be rejected because:

Thai workers were seen to be more familiar and comfortable with the collectivist orientation of Japanese managers. And Thai workers felt that their jobs were more secure in Japanese companies, despite generally lower pay than in subsidiaries of Western MNCs (p238).

This reflects a close cultural distance between Japan and Thailand, or more generally with Asian countries, as Hofstede (2010) argues. In particular, Asian countries, including Japan, tend to have a high score on collectivism in managerial behaviour. This means that the Japanese 'family' norm, with emphasis on collective responsibility may well be accepted in Asian regions. The work of Abo (2015) echoes this acceptance of collectivism in Asian regions examining how Japanese MNCs transfer the manufacturing and personnel practices better into Asian regions than into the Western ones due to the high level of group consciousness and collectivism in Asia.

This Asian collectivistic behaviour may lead Japanese MNCs to adopt Japanese management practices more easily. Referring to the work of Yuen and Hui (1993) when comparing Japanese and US subsidiaries in Singapore, Ferner (1997) describes the Japanese way of managing labour as "a human capital model, based on multidimensional employment relations, social as well as

economic aspects, the predominance of internal labour markets, and a consequent concern with recruitment, selection, training and development” (Ferner, 1997, p30). This interrelates with high commitment from workers, because the employees tend to view their lifetime careers as being linked to their corporate performance (Yuen and Hui, 1993). Sharing a common destiny tends to enable workers to share collective responsibility for their corporations, thereby allowing them to share a job, information and performance.

In the West, however, this seems to be the opposite way round. In particular, transferring Japanese personnel practices to the finance industry in the US can be almost impossible. Beechler and Yang (1994) indicate the difficulties of applying lifetime employment, group orientation and egalitarian views to the US. Adopting comparative case studies of Japanese service and manufacturing companies, they asserted that Japanese service companies in the finance industry in New York are pursuing an Americanisation of personnel practices, such as the practices of “hiring more specialists, introducing job titles, de-emphasizing internal training, utilizing formal performance appraisal programs, and adopting merit-based compensation systems” (Beechler and Yang, 1994, p475). Nonetheless, this does not mean that it is impossible to transfer a series of Japanese practices to any industry. They argue that, in Tennessee in the US where there are relatively low turnover rates and workers have long-term employment and job security, Japanese personnel practices can be possible.

Here, however, the ‘family’ norm with its emphasis on collective responsibility and, in particular, Japanese ‘family’ rituals and practices seems to

be rejected. Graham (1994) described how American workers at Japanese plants resist Japanese collectivistic practices, with company rituals such as 'morning exercises, team meetings, department meetings, and company celebrations'. One form of collective resistance was workers leaving a moving assembly line without following the company rule of "taking away a five minute clean-up period at the end of day" (Graham, 1994, p142). This period was set up in order to 'clean up and put away the tools' after work, but was actually ignored as a form of protest. One American worker remarked: "this place is getting too Japanese around here; pretty soon you will be asking us to donate our Saturdays" (ibid). Graham (1994) described this further: "From that day on, whenever the line ran up to quitting time, everyone on the team dropped whatever they were doing and immediately walked out, leaving the team leader to lock up the tools and clean the area" (Graham, 1994, p142). This clean-up was expected to show that they saw themselves as 'family' members sharing a common destiny, as in Japan. Although this does not show the conflicted meanings of 'family', it implies that collective responsibility within the 'family' norm is not accepted. Ferner (1997, p30) described the US way of managing labour as "an 'economic-contractual' model of hiring and firing, market-determined wages, and high labour mobility". This is based on 'the ideology of free enterprise: workers are hired and fired depending on the needs of the employing organisation while wage level is related to labour supply/demand and general economic conditions'. Hofstede (2010) supports this wide cultural distance, demonstrating the individualistic feature of the US as opposed to the collectivistic Japanese.

2.3.3 Work organisation: Boundaries of the 'family' norm

Work organisation is discussed through the practices of communication with the headquarters about the performance evaluation of Japanese expatriates, business results, and locals' complaints (see chapter 8). The 'family' norm previously reviewed may be restricted to a certain group of Japanese expatriates. Here, the work organisation within the sales subsidiaries of Japanese MNCs is expected to be divided between Japanese expatriates and local employees when communicating with external organisations, such as with the headquarters and customers locally. Initially, Westney (1987; 1999) indicated the importance of Japanese expatriates when operating Japanese MNC subsidiaries, this being based on the need to communicate with headquarters. In particular, Japanese expatriates were expected to play a central role in transferring and controlling manufacturing methods from the headquarters in Japan. Kopp (1999), for example, described how the decision-making process is dominated by Japanese expatriates, and not local employees or management. A study concerning the subsidiaries of Japanese MNCs in Europe and the US showed that local managers were involved in less than half the decisions concerning local business, according to Beechler et al. (1996). These decisions were only made by Japanese expatriates or at the headquarters in Japan.

The dominance of Japanese expatriates has had a considerable influence in generating an ethnocentric Japanese culture in the subsidiaries of Japanese MNCs (see 8.2). The typical work organisation at Japanese plants is one where a Japanese expatriate is assigned as an 'advisor' in the margin of an

organisational chart (Elger and Smith, 2005). A Japanese expatriate manager is then expected to support and advise a line manager by closely working with its workers. Westney (1999, p26) summarised this as follows: “since the very earliest stages of internationalization, Japanese MNCs have been criticised for their heavy reliance on expatriate middle-level managers to act as the key cross-border integrators”. This dominance was also investigated in comparison with Western MNCs focusing on the formal control of their subsidiaries. Ferner (1997) offers a vivid account of the unique features of Japanese expatriates. He describes the Japanese approach as “strong but informal centralised co-ordination of foreign operations, highly reliant on establishing an international network of Japanese expatriate managers” (Ferner, 1997, p21–22). This case certainly seems to be true in some Japanese MNCs (Elger and Smith, 2005), perhaps generating ceremonial aspects within the work organisation.

Compared with American MNCs, this ethnocentric centralised organisational structure is peculiar to Japanese MNCs. Ferner (1995) asserts that it is highly reliant on a network of Japanese expatriates for an informally centralised coordination of foreign subsidiaries as opposed to American MNCs who formalise and centralise HRM practices. Perhaps this ethnocentricity can be further explained through the cultural meaning of ‘family’ which restricts its ‘family’ members. Kondo (1990) describes how the Japanese ‘family’ has a strong sense of ‘*uchi*’ and ‘*soto*’, these being ‘inside’ an ‘outside’ in English. She asserts

Soto can mean everything outside the physical structure of the house.

In symbolic terms, *soto* means the public world, while *uchi* is the world of informality, casual behaviour, and relaxation... Crossing the boundaries from *uchi* to *soto* can involve a complete readjustment of behaviour: posture becomes more proper and disciplined, language levels are potentially raised (depending on the status of the addressee), and dress is expected to be more proper, less casual. (Kondo, 1990, p141)

This sense of an inner and outer group is likely to influence the ethnocentric structure by connecting a group of Japanese expatriates as with the 'family' in Japan. She adds that, for Japanese, "the underlying principle seems to be that human behavior is not seen in a vacuum, as atomistic action. People's actions instead link them to their *uchi* and to other groups" (Kondo, 1990, p146).

Their *uchi*, however, is not automatically given to any members in *ie*. Rather, they are to be acquired through the active participation of 'family' members and "*soto* and *uchi* are thus contextually defined" (Kondo, 1990, p152). She further states that:

belonging or choosing to belong to an *uchi* involves a whole package of decisions about language, behaviour, and social interaction. Belonging means active participation, not passive membership. One must prove in action one's loyalty to the *ie* (p152)

This makes it possible to speculate how the cultural meanings of 'family' in Japanese MNCs may be confined to groups of Japanese expatriates, given the dominance of Japanese expatriates. These are contextually contested according to different geographical locations, however. Nonetheless, once the boundaries of the 'family' are established, they make it possible to consider all the members as a whole. This is a part of "a 'traditional Japan' when properly familial attitudes were held by owners and managers, who would think not of their career advancement or their profits but of the good of the whole" (Kondo, 1990, p205).

This strong sense of *uchi* may be closely associated with the dominance of Japanese expatriates, possibly creating a divide between Japanese expatriates and local employees. Here, the extent of the division may depend on the demand to communicate with customers locally. Elger and Smith (2005) point out the importance of 'dependency on a dominant customer' at Japanese subsidiaries. This involves how long a subsidiary has operated in a host country. Since Japanese MNCs have operated for the long term in a given location, they in turn have more local customers, local management and local employees. Elger and Smith (2005, p178) characterise this as a 'dependency on a dominant customer', 'the longevity of the establishments', and 'phases of expansion (or contraction)' of its subsidiary. Nonetheless, these structures at Japanese MNCs are not well-elaborated, given the fact that few studies focus on the sales and marketing functions of Japanese MNCs. To express this differently, the longer Japanese MNC plants operate, the more localised customers and employees will be. As a result, the number of Japanese expatriates will tend to decrease (Elger and Smith, 2005) and then the boundary of the 'family' may possibly

contract or disappear altogether.

As a result of communicating with the headquarters, a divide between Japanese expatriates and local employees has arisen in work organisation. Here, Elger and Smith (2005) touched upon two management structures of Japanese and locals. Although they did not elaborate on this structural divide or attribute the meanings of the 'family', their interview data is consistent with this division between Japanese and locals. In their comparative case studies of Japanese plants in the UK, two management structures were identified: one is a Japanese management structure while the other is British management structure. The Japanese management structure promotes teamwork and a high commitment from workers, while the British have a more direct approach to the local work force, using command and control. The Japanese believed that British managers did not make enough effort to implement Japanese management practices. On the other hand, British managers were sceptical about the effects of these practices, and considered that the Japanese did not share enough information, given the fact that they were limited in participating in the decision-making process. This divide clearly indicates that the cultural meanings of 'family' may be confined to the groups of Japanese expatriates, leading them to treat British managers as outsiders.

In contrast, Kopp (1999, p122) described two management structures as a 'vicious circle of lack of trust'. Utilising a survey and a case study, she attributes this type of divide between the Japanese and Americans to the Japanese language barrier, indirect communication, consensus-oriented decision-making, slow promotion, and lifetime employment. Here, possible

divisions emerge between Japanese and Americans: Japanese managers may state “we don’t want to give too much information and responsibility to locally hired employees right away, because they might job-hop to another company” (ibid). When this occurs, local employees may feel excluded from the decision-making process and conclude that their future with the firm is limited, and then leave to join another firm. At this point, Japanese managers may say: “Ah, it’s just what we thought, non-Japanese aren’t loyal to their companies. They didn’t stick around enough for us to get to trust them!” (p122). Given these cases, she concludes that this ‘vicious circle of lack of trust’ represents the exportation of the two-tier HRM system in Japan between *seishain* and non-*seishain*, core and peripheral Japanese employees. In Japan, core employees in a permanent contract are expected to receive long term benefits, such as lifetime and long term employment, seniority based compensation, and high investment in training. By contrast, peripheral employees on temporary contracts gain little benefits. This is expected to occur in practice, and consequently there are two different management structures for Japanese and locals.

Given these two structures within the subsidiaries, the cultural meanings of the ‘family’ might be restricted and contested within Japanese communities or across certain groups or units, although group orientation may not be the correct term for expressing a feature of the Japanese ‘family’. Kondo (1990) points out that there is no sense of individualism in the Japanese ‘family’ because “[b]y speaking, one inevitably speaks as a person embedded within a particular *uchi*. One is never an isolated individual” (Kondo, 1990, p147). In a sense, this cultural

boundary of the 'family' is considered to be very different between Asian and the Western regions, as well as in the ways the subsidiaries communicate with headquarters. In Asia, the cultural meanings of the 'family' might be accepted and interpreted, even outside Japanese expatriate groups. In the West, however, they may be restricted only to Japanese expatriate groups. Alternatively, it might not exist at all anymore due to the recent changes in Japanese management practices (Keizer, 2012). In the next sub section, the cultural meaning of 'family' in Japanese society is examined.

2.4 'Company as family' in Japanese management practices

Japanese management practices do not stand alone in Japanese society and culture (e.g., Turnbull, 1986): they need to be considered with regard to their characteristics through 'area knowledge' of its culture and language (Elger and Smith, 2005). In fact, some scholars have touched upon the strong association of Japanese management practices with the 'family' norm in Japanese society (e.g., Keys and Miller, 1984; Hatvany and Pucik, 1981). Japanese paternalism is expected to exist behind Japanese management practices in the same way as organisational members treat corporations as a 'family' or community, sharing 'a common destiny'. This kinship relationship is apparent in the practices of JIT, TQM, and QC circles; enabling organisational members to work as a team, and ultimately a 'family' with a particular job security, such as lifetime employment. This is also likely to be the case in groups of corporations, such as *Keiretsu*.

2.4.1 Interpreting the meaning of a 'company as family' culturally

The term 'company as family' was used to characterise Japanese MNCs (e.g., Keys and Miller, 1984; Hatvany and Pucik, 1981). Here, the meaning of 'family' in Japanese MNC has been historically embedded in Japanese society. In the feudal era of the Tokugawa regime from the 17th to 19th centuries, Bhappu (2000) sees Japanese paternalism behind inter-organisational practices, such as with *Keiretsu*, which she argues were close to the structure of ranking in the previous era in Japan. She also asserts that merchants, such as those in feudal households in the Tokugawa regime, also resembled current Japanese corporations:

Merchant households frequently established *bunke* (branch) *ie* beside the *honke* (main) *ie*. This enabled them to expand their distribution channels geographically. It also provided a way for the "corporate" merchant *ie* to perpetuate itself as an entity from one generation to another. (p411)

Assuming 'company as family', group orientation, cooperation, and *Wa* (harmony) are enhanced and can be institutionally embedded into Japanese management practices. TQM and JIT are not purely a set of economic activities to boost productivity, but strongly embody these cultural meanings of a 'family' among workers. It therefore follows that without the norm of 'family', these practices are unlikely to be adopted and accepted by local workers, as Abo

(2015) strongly indicates.

Kondo (1990) explores the contested meanings of a 'company as family' in greater detail. By adopting an ethnographic approach as an active participant in a small Japanese family firm factory in Japan - the Sato company - she reveals how the concepts of company and family are inseparable and intertwined. She claims that the economic ties in the small firm are far beyond the contractual obligations interpreted in the West, "entailing intense involvement in group outings, ritual obligations, and strong bonds of loyalty, gratitude, and commitment" (p198) among its family and organisational members. Furthermore, she argues for the contested meanings of a 'company as family' which are interpreted according to the actors in their contexts. '*ie*' in Japanese, household in English is understood not only as physical building for the 'family' on the basis of blood relations but also as "'hearth', signifying people who belong to the same domestic group" (p121). She asserts that '*ie*' in Japan should not be treated just as kinship based on biological blood relations, but is "best understood as corporate groups that hold property (for example, land, a reputation, and an art or 'cultural capital') in perpetuity" (p122). It serves as a unit of production, of consumption, and as a religious function such as 'ancestor worship' and forms of social welfare. Here, the notion of 'family' is very cultural in the same way that an American 'family' is limited to biological relationships and conjugal ties (Kondo, 1990).

This notion of '*ie*' and 'family' can also be scrutinised through the Japanese language. '*Uchi no kaisha*' in Japanese, literally means 'my company' in English, and is interpreted, contested, and appropriated by actors in a

particular context. For employees, it often means 'company as family' by caring 'family' members and reminding those members of the obligation of loyalty. For their managers, however, this can be manipulated for economic benefits; Kondo (1990, p213) describes the owners' 'family' of the Sato "awarding low wages, berating them unjustly, conducting sporadic surveillance of shop-floor activities". In particular, the workers may start to criticise the owner who is 'inadequately familial' if the owner emphasises the economic rationality of the company by pursuing economic efficiency which is not right for 'company as family'. In terms of an artisan's identity, the workers may criticise their company on the one hand while on the other hand often being proud of being members of that company. She demonstrates how the meanings of a 'company as family' can never be coherent or consistent, and has complexities with "contradictions, nuances, and multiplicities engendered by any act or appropriation of meanings" (p218). These nuanced cultural meanings of 'family' have also been identified in large Japanese MNCs (e.g., Keys and Miller, 1984; Hatvany and Pucik, 1981) although they are not fully elaborated on as in the work of Kondo (1990).

Such notions of 'family', while often contested and appropriated, loosely underpin Japanese management practices, such as TQM and JIT, which require the workers' participation and long hours on the shop floor as 'family' members (Keys and Millar, 1984). This is a cultural meaning of 'family' specific to Japan, because the prosperity of families is more significant than individuals. Keys and Miller (1984, p347-8) explain that for the Japanese this means that "the company becomes a surrogate for the family, work takes on the same ethos as a contribution to the family - loyalty, sincerity... the company's (family's) prosperity

becomes more important than individual prosperity, and work for the company - not leisure - becomes the essence of life". This cultural meaning of 'family' constitutes Japanese management practices, and there is an assumption that all the members are obliged to contribute to 'family' prosperity, with this expectation taking precedence over individual needs. This cultural meaning of 'family' explains why shop-floor workers are expected to work long hours and be non-resistant in Japan, as Williams et al. (1994, p86) point out, since "Japanese management in the press shop is technically superior but in many ways socially inferior to Western practices".

2.4.2 Resistance to the cultural meanings of 'family'?

After due consideration, the contested meanings of 'company as family' can be considered as an obstacle to the smooth transference of Japanese management practices to the foreign subsidiaries of Japanese MNCs. Graham (1994), for instance, demonstrated the resistance of American local workers at a Japanese MNC plant, thereby presenting a critique of the simple articulation of Japanisation. Adopting an ethnographic approach on the shop floor of 'Subaru-Isuzu Automotive' (SIA) in the US, and as an employee there, he observed direct confrontation in the form of collective resistance and veiled protest in the form of individual resistance. Here, direct confrontation concerned 'leaving a moving line' and a 'refusal to work', while a veiled protest involved 'anonymous letters', a 'refusal to exercise' and to practice company's rituals, such as 'morning exercises, team meetings, department meetings, and company celebrations'. Although Graham (1994) did not touch upon the cultural

meanings of such forms of resistance, the acts of resistance constitute a refusal to attribute Japanese cultural meanings, paternalism and 'family' to the practices. Such rituals are profoundly connected to paternalism in Japanese society and culture, where workers are cooperative and loyal to their corporation through the expression of 'family'. This collective effort was expected to be resisted by American workers who prioritised individuals over organisations. This cultural conflict, albeit not elaborating cultural meanings in depth, meant that that SIA did not successfully acquire the Japanese egalitarian culture with the norm of cooperation, as other scholars argued in the era of the coined 'Japanisation' (e.g., Elger and Smith, 1994).

In a similar fashion, Delbridge (1998) conducted an ethnographic study at Japanese manufacturing sites in the UK by working as a shop-floor worker. As a participant observer, he revealed single-skilled workers and a lack of commitment in contrast to the full commitment from multi-skilled workers discussed in a series of Japanisation literature. Here, he found that there was little commitment or loyalty to organisations from workers, but instead, there was "the persistence of conflicts between management and labour" (p151). As with other scholars, he was interested in how Japanese management practices are conducted and resisted in order to examine the transplants of Japanese MNCs, and, as such, cultural meanings were not his main focus. In fact, in-depth ethnographic research on Japanese MNCs has rarely been conducted, let alone a nuanced consideration of the cultural meanings of practices.

A whole swathe of the literature aims to examine the transferability of management practices in the subsidiaries of Japanese MNCs, but unlike other

studies focusing on the transferability of management practices, the work of Kondo (1990) is quite unique in the sense that she, as a Japanese American ethnographer, gains and utilises 'area knowledge' (Elger and Smith, 2005) in Japan, such as with Japanese culture and language in depth. The focus on cultural meanings should be transferred to the foreign subsidiaries of contemporary Japanese MNCs in the light of the burst bubble economy and economic stagnation of Japan, the so-called 'lost decade' since the 1990s (Keizer, 2012). Here, from the point of view of the cultural meanings of the 'family', there are likely to be conflicts and contradictions among the attributed meanings in the practices, these possibly obstructing the transference of the practices and causing further resistance from local workers. This means that there is the possibility that the same practice may embody different cultural meanings for different actors in different locations. In next sub section, the relationality of transferring these practices between Asia and the West is scrutinised.

2.5 The relationality of transferring practices between Asia and the West

The success of transferring Japanese management practices may rest not only on the social and economic conditions of a home country, but also on the culture, values and practices shaped by the conditions of the host country. Abo (2015) argues for differences between regions when transferring practices at Japanese MNCs. His work strongly implies the relationality in which the success of transferring Japanese management practices is contingent to the host country where they are conducted. While transferring Japanese practices within Asia is

highly likely to be successful, transferring them to the West is likely to be more problematic.

2.5.1 Problems with transferring practices across different geographical locations

Originally, when considering the concept of Japanisation, Turnbull (1986) posed a question about the feasibility of transferring practices into a different geographical location. These practices were built and maintained with 'high-trust' management in Japan, these being developed by coercive elements of Japanese society, but it was possible that they might not really work elsewhere. He indicates how

the introduction of 'high-trust' management techniques into essentially 'low-trust' environments, where management has traditionally attempted to reduce employee autonomy, discretion and influence through 'Taylorist' techniques, is unlikely to foster employee commitment towards managerial objectives. (p203-4)

This raises the question of whether practices can be transferred to different contexts. In fact, this relationality where social and economic contexts in a host country affect transferring practices was later picked up on by Japanese management scholars (e.g., Ackroyd et al., 1988). Here, the idea of relationality is strongly conveyed in the sense that, when a geographical context, such as the 'high trust' between managers and those being managed, supports the

implementation of practices, the practices can be easily accepted. When there is 'low trust', however, it becomes harder to transfer the practices.

More recently, Abo (2015) indicated the relationality of transferring Japanese management practices between Asia and the West. Based on his research since the 1980s into the implementation of Japanese management methods across six continents, Abo (2015) asserts that Japanese management methods are influenced by the host society and its culture in each region. Although he does not examine culturally embodied meanings in the management practices, he points out that a 'group consciousness' such as collectivism and cooperation in a geographical location does matter in terms of transferring the practices. In Abo's research, a high group consciousness identified with Asian countries correlates to the success of management practice implementation in Asia.

Clearly, therefore, the different geographical locations are significant when transferring manufacturing methods and practices. Abo's (2015) methods were based on the degree to which Japanese manufacturing techniques can be transferred from the headquarters to subsidiaries, as is the case in Japan. Here, he adopted a quantitative method, a 'five-point grading system' to measure how practices are transferred as with Japan. He set up an analytical model of application and adaptation, showing either that Japanese manufacturing practices were simply applied to a local context or that they were adapted. The model consisted of a '6-group 23 item hybrid-evaluation'. Here, the six groups constituted the work organisation and administration; production control, procurement, group consciousness, labour relations, and parent-subsidiary

relations. According to Abo (2015), these local contexts behind the practices were influenced by each region. Hence, this societal effect varies depending on the region and the geographical location where Japanese MNCs operate.

2.5.2 Cultural and geographic contexts in Asia and the West

There are two important regions in which the relationality of transferring Japanese management practices has been examined: Asia and the West. Here, Asia means primarily South East and East Asian countries, such as South Korea, Taiwan, and China, while the West means Western European and North American countries such as the UK, Belgium and the US. In the Asian region, Abo (2015) considers that Japanese MNCs are highly likely to 'apply' Japanese management practices to each country as an 'Asian Standard'. In particular, 'group consciousness' or a group orientation over individuals is relatively higher in Korea and Taiwan than in European countries. Here, it is thought that these practices may have been attributed by the participants to cultural meanings, yet the meanings were not his main focus. Although this geographical effect is not straightforward, it tends to be distinctive according to region, as with Asia and non-Asia. Additionally, Collinson and Rugman (2008) connect this to the 'relational embeddedness' of Japanese management practices in Asian regions as well as in Japan, but not in Western regions. This embeddedness comes about partly because there is a large customer base for industrial Japanese manufactured goods in the Asian region. This reflects many Japanese MNCs which have moved their production to the Asian region to benefit from plentiful labour with low wages (Keizer, 2012). This embeddedness also partly arises

because there are cultural similarities in Asia, such as with the importance of kinship and collectivism. In Thailand, for example, Japanese personnel practices, such as the 'collective orientation' of the Japanese and job security, seem to appeal more than Western MNCs (Atmiyanandana and Lawler, 2003). This further confirms a close 'cultural distance' between Japan and other Asian countries in terms of a common collectivism (Hofstede, 2010).

In contrast, in Western regions, mainly in North America and Western Europe, Abo (2015) assumes that Japanese MNCs are relatively unlikely to 'apply' Japanese management practices to each country as they do in the Asian region. Here, when analysing three Japanese as well as one form of European 'press shop performance', Williams et al. (1994) reviewed the necessary conditions for 'Japanisation' to be possible for Western corporations while questioning how far [the West is] from Japan. A high level of employee commitment is associated with the social and institutional context in Japan. Thus, it was concluded that the social and institutional context of Western management is 'very far from Japan', bringing about difficulties when applying Japanese management practices to the Western context. In a sense, Japanese management practices are deeply supported and connected by their surrounding operations. These are manifested in aspects such as group consciousness, collectivism, seniority and lifetime or long-term employment. Williams et al. (1994) characterised the high level of commitment as well as the workers' 'consent and conformity' on the Japanese shop floor as being rewarded with lifetime employment. This reflects a wide 'cultural distance' between Japan and Western countries in terms of the preferred collectivism in Japan as

opposed to the individualism of the West (Hofstede, 2010).

Given societal and cultural influences on practices, Williams et al. (1994, p86) declared that 'Japanese management in the press shop is technically superior but in many ways socially inferior to Western practices'. This is because shop floor workers are expected to work long hours and be compliant in Japan. In addition, Elger and Smith (2005) illustrate how Japanese production methods in the UK have not been adopted by shop-floor workers particularly well because of low pay. Similarly, in Germany, Brannen and Salk (2000) bring out how German managers have been frustrated by the consensus orientation of Japanese management, expressing a feeling of powerlessness. This is because in Japanese corporate culture, flexible job roles and group orientation are prioritised, while in Germany there is a well-defined job-role and individual orientation. These cultural conflicts with Japanese management practices may well support the low transferability of Japanese management practices to Western regions.

The current literature reviewed above, therefore, raises the possibility that Japanese management practices can be conducted and even interpreted very differently according to different societies and cultures across geographical locations, especially in Asian and Western regions. Many studies have analysed the degree of productivity between Japanese and local firms, concluding that there is either high or low transferability (e.g., see Oliver and Wilkinson, 1998; 1992). Abo (2015) indicates, however, that the significance of relationality should again be seriously scrutinised when transferring practices to Asia and Western regions. This also raises another possibility, namely that the different cultural

meanings regarding the same practices, and this relationality, are better explored across different subsidiaries of a single Japanese MNC in Asian and Western regions.

2.6 Review of existing approaches and evidence

2.6.1 Varieties of capitalism

The relationality of transferring practices across different national contexts, as reviewed in the previous section, is expected to be influential in the meanings actors attribute to the practices. This means that certain practices, such as teamwork, are more likely to be accepted in Asia because of high 'group consciousness' (Abo, 2015) than in the West. Some existing approaches help partially to explain these different contexts in Asia and the West in terms of different national political economies. For example, Hall and Soskice (2001) published an edited book titled 'Varieties of Capitalism' which offers a macro analysis suggesting that institutional variations in each country have a significant effect on corporations' activities and largely condition the type of business practices which they conduct. In this regard, corporations are supposed to develop their capabilities in terms of 'capacities for developing, producing, and distributing goods and services profitably' (p7, Hall and Soskice, 2001). The success of corporations, therefore, depends on the ability to coordinate economic activities with actors, such as their 'employees', 'suppliers, clients, collaborators, stakeholders, trade unions, business associations, and governments' (p7, Hall and Soskice, 2001). This type of coordination is defined as 'institutional complementarities', which lead 'nations with a particular type of

co-ordination in one sphere of the economy to develop complementary practices in other spheres as well' (Hall and Soskice, 2001, p18). Lifetime and long-term employment, for example, can be rejected, especially where the current profitability of corporations is determined by their financial system, while vocational trainings and new product standards in a given industry are likely to be set in an efficient manner where there is a dense network of business associations. Thus, they came to conclude that the institutional arrangements in each country where the MNC operates ultimately determine its practices.

Hall and Soskice (2001) further claim that national political economies are mainly divided into two types: Liberal Market Economies (LMEs) and Coordinated Market Economies (CMEs). In LMEs, corporations 'coordinate their activities primarily via hierarchies and competitive market arrangements'. Here, a free market based relationship is built and maintained in the exchange of goods and services 'in a context of competition and formal contracting'. Markets can be positioned as a means for coordinating all economic activities. Many Anglo-Saxon countries, such as the USA, the UK, Canada and Australia, are classified as LMEs. In contrast, in CMEs, corporations 'depend more heavily on non-market relationships to coordinate their endeavours with other actors and to construct their core competencies'. Here, these 'non-market modes of coordination' enhance collaboration among corporations, in preference to the competition seen in LMEs, with the various actors building core competencies through private information exchange in their network. Japan as well as Germany and Belgium are classified as coordinated market economics. The balanced economies are perceived as 'the result of strategic interaction' among

corporations and other actors.

According to the work of Hall and Soskice (2001), in each market, there are five spheres in which corporations may face coordination issues when developing relationships with other actors. First, industrial relations concern how to 'coordinate bargaining over wages and productivity levels'. Second, vocational training and education concerns how to secure a 'workforce with suitable skills'. Third, corporate governance refers to how corporations 'turn for access to finance' and how they assure of investors of 'returns on their investment'. Fourth, inter-firm relations refers to the relationships the firm forms with other actors, such as its suppliers or clients, 'with a view to securing a stable demand for its products, appropriate supplies of inputs, and access to technology'. Finally, relations with their employees require that 'employees have the requisite competencies and cooperate well with others to advance the objectives of the corporations'.

In their book, Hall and Soskice contrasted and compared the institutional complementarities in both market types by elaborating each sphere through actual examples: the American case as an LME and the German case as an CME. This contrast and comparison is quite informative for how the Japanese case (as also an CME), can be conducted and interpreted. In terms of industrial relations, unlike the American case which relies more on 'the market relationship between individual worker and employer' than trade unions, the German case entails a significant relationship between 'trade unions and employer associations'. The trade unions are so powerful that they can negotiate with their employers' associations for feasible pay 'in return for the deep commitment' of

their worker. In terms of vocational training and education, the German case provides industry and company specific skills while the American case makes formal institutions offering general skills in 'highly fluid labour markets'. In terms of corporate governance, unlike the American case, which is solely reliant on public financial data, the German case provides corporations with non-public capital from other actors, such as suppliers and collaborators. This can be done by information sharing through a dense network between corporations and managers. In terms of technology diffusion with inter-firm relations, whereas the American case relies heavily on engineering personnel within the case firm for radical innovation, the German case provides incremental diffusion of technology with long term employment and contracts through 'inter-company relations' of industry associations and 'public officials'. In terms of relations with their employees, unlike the American case which provides unilateral decisions from top managers, the German case provides for consensus-oriented decisions by its top managers. Major agreements tend to involve other stakeholders, such as 'supervisory boards', 'employee representatives', 'major shareholders', other managers, suppliers, and customers. This demonstrates how the institutional complementarities are achieved and maintained across the spheres. In the German case, for instance, job security sits easily with a stable financial system and low labour mobility is matched with a workforce with the autonomy to share information for continuous improvement in which trade unions are active.

Indeed the features of the German case can help partially to explain how Japanese management practices can be conducted: life time and long term employment, enterprise unions, seniority in terms of wages, a sense of family,

consensus oriented decision making, and incremental innovation. In the book, the close relationship between business organisations and the Japanese economy is pointed out by a variety of authors in the volume: Tate (2001) argued for the important role of Japanese; Estevez-Abe et al. (2001) explored intensive company training and job security and a government role in business; Thelen (2001) touched upon cooperative trade unions. This macro analysis, however, does not directly help to explain how individual actors attribute meanings to practices in Japanese MNCs in Asia and the West, thereby neglecting actors' agency. This series of institutional environment analyses therefore provides a deterministic view on the assumption that all the individual actors in certain national contexts tend to interpret practices in a similar manner. It is expected that the practices embody 'company as family' very differently according to a country and actor.

2.6.2 National business systems

Whitley (1991; 1999; 2003) proposed another concept regarding the national political economies in which corporations operate; that of 'national business systems'. The concept of national business systems approach Whitley (1991; 1999) is distinctive in the way that it focuses on organisations as the central unit of analysis rather than overall processes of structuring economy and politics as in the varieties of capitalism approach (Hall and Soskice, 2001) and others. It is also distinctive in the way that Whitley (1991; 1999) was not bound by the Eurocentric approach of Hall and Soskice (2001), analysing East Asian and Eastern European institutions and organisations. Whitley (1991) asserts that not

only do national business systems in East Asia, such as Japan, Korea and China, vary within themselves, but they also differ fundamentally from Western businesses. He argues for three broad headings: “(a) the system of authoritative coordination and control, (b) enterprise domain and development, and (c) the nature of enterprise co-ordination and market organization”. Under the three headings, there are eight dimensions: personal authority and owner domination; significance of formal co-ordination and control procedures; managerial style; employee commitment; business specialisation; evolutionary strategies; relational contracting; and long-term inter sector co-ordination. Within these dimensions, he analysed three key national economic organisations: the Japanese ‘Kaisha’; Korean ‘Chaebol’; and Chinese family business. Although these three organisations differ from one another, they are all founded in the Confucian culture, and are thus distinct from the Christian-based notions of ‘family’ identities and structures in Western society.

Furthermore, Whitley (1991) proposed the institutional contexts which condition East Asian business systems: authority relations; trust, reciprocity and loyalty; along with the political and financial systems. In authority relations between superiors and subordinates, loyalties are built as ‘a series of mutual commitments’ but maintained in a different manner between Japan, Korea, and China. In contrast to Korea and China, which limit reciprocal relations only to kinship, Japanese institutions tie their members’ ‘obedience and subordination’ to non-kinship groups. This stems from the ideal father in Japan, unlike that of China and Korea, who tends to ‘share his responsibilities with others and admit uncertainty’ (p13). This is associated in Korea and China with the importance of

collective loyalty to the organisation rather than direct personal relationships. In respect to trust, reciprocity and loyalty, cultural homogeneity is greater among East Asian countries than in the West, so 'reputational and ascriptive means of developing trust', rather than 'the formal institutional means' common in the West, are effective. In particular, in Japan, generating trust between strangers is possible, although trust can be generated only with ascriptive ties in Korea and China, such as a common birthplace, school and university. This also informs loyalties to corporations in Japan. In terms of the political and financial systems, in East Asia, the state plays a central role in promoting industrialisation, in contrast to the market oriented approach in the USA. In particular, Japan intervenes less in its corporate decisions than Korea and China do. In Japan, the Ministry of International Trade and Industry (MITI) guides economic development yet does not directly influence corporate actions due to its privately owned banking system and focus on economic growth driven by private firms, such as automotive and electronic manufacturers. Although all three East Asian countries depend on bank credit rather than capital markets, as in the USA, Japan, especially, has developed a close group of corporations, 'keiretsu' in Japanese.

Later on, focusing on authority sharing and careers within organisations, Whitley (2003) claimed that the institutional contexts, not national contexts, are keys to understand organisational capabilities, thus further elaborating the relationship between organisations and their institutional contexts. Although units of analysis are more specific to authority sharing and organisational careers within organisations, he argued for the close relationships between four

distinct types of authority sharing and organisational careers, and institutional features. The four types are 'high delegation and professional team careers'; considerable delegation to managers with managerial careers; considerable delegation to skilled staff and functionally specialised careers; considerable delegation to skilled staff and generalist organisational careers. These types may sit comfortably with institutional features. For example, in a state which strongly coordinates business activities through collaboration of corporations, managers tend to share more authority in order to avoid opportunistic behaviours and to build skilled staff for the long term. Another example can be that, in capital markets which provide stock options as incentives, skilled staff tend to work cooperatively to achieve specific objectives, possibly being hired externally for a short term goal. Here, it is difficult to tie skilled staff to the long term goals. This concept of types of authority and careers, and the relationship with institutional features is quite similar to Whitley's previous work about East Asian business systems (Whitley, 1991).

In the context of MNCs, which may transfer their practices from one country to another, the effects of national business systems are also discussed as the home country and host country effects (Ferner, 1997; 2000). Certainly, MNCs transpose their own home country's institutional effect through their practices, which may be constrained by the law and regulations, supplier relationships and trade unions in their host countries. In the economic activities of MNCs, national business systems may, therefore, be internationalised because "institutions in the home country inform the behaviour of firms at the international level, and the way this may be modified to fit the institutional

context of various host countries” (Almond et al., 2005, p277). The effects of national business systems in terms of transferring practices, however, depend on institutional environments.

2.6.3 Other empirical research into Japanese management practices in Europe

In addition to Japanisation studies in the UK (e.g., Oliver and Wilkinson, 1988; 1992; Eger and Smith, 1994), there are other empirical studies into Japanese management practices in other European countries. Ybema and Byun (2012), for example, reveal a sharp contrast in the management practices of Japanese and Dutch companies in the Netherlands. By comparing the subsidiaries of Japanese corporations in the Netherlands with those of Dutch companies in Japan, they demonstrate four distinctions in the subsidiaries: work ethos, communication, the superior and subordinate relationship, and decision making. Although their focus is not on Japanese management practice itself, cultural differences between the Japanese and the Dutch are manifested in collectivism and individualism; indirect and direct communication; high and low hierarchies; consensus and authority oriented decision making (see also, e.g., Keys and Miller, 1984; Hatvany and Pucik, 1981)..

One of findings which Ybema and Byun (2012) provide is that, although both Japanese and Dutch expatriates in their host countries are relatively satisfied with their local subordinates, their local subordinates, both in Japan and the Netherlands, are quite frustrated. In the Dutch firms in Japan, there are Dutch expatriate managers while, in Japanese firms in the Netherlands, there

are Japanese expatriate managers. Both Japanese and Dutch subordinates, for example, appear quite frustrated with the styles of their bosses' decision making, with the Dutch managers making 'top down' decisions, from the point of view of their Japanese subordinates, while Japanese managers, from the perspective of Dutch subordinates also take top-down decisions through a hierarchical culture, with consensus simply being a veneer. This is also depicted by the fact that, while both claim that the other culture is hierarchical or top down oriented, Japanese and Dutch participants characterise their own cultures as consensus oriented and egalitarian. This stems from the different interpretations of cultural characteristics of hierarchy and consensus.

Moreover, Sedgwick (2007) conducts an ethnographic study of a subsidiary plant of a Japanese MNC in France, which he calls YamaMax, successfully positioning his study in the context of globalisation. He treats globalisation as 'a process organised through social relations', illuminating that Japanese management practices, such as consensus decision making, information sharing, and knowledge creation, are practised, re-examined, and interpreted through employees' interactions, experiences and networks at YamaMax. His rich ethnographic data shows how Japanese expatriate managers continue to possess strategic decision-making authority, drawing an interesting parallel with Japanese management studies in the US and Europe (Kopp, 1999; Ybema and Byun, 2012). He also describes organisational pressures on French middle managers to adapt Japanese management practices, as directed by their Japanese superiors, to the shop floor environment maintained by French workers. This forces the French middle managers to

become 'cultural brokers' between the Japanese and the French workers, who otherwise to avoid direct interaction with the Japanese. This pressure demonstrates a sharp contrast to the work of Graham (1994) and Elger and Smith (2005) depicting the resistance to Japanese management practices which local employees in the UK and Canada displayed.

Furthermore, Japanese and local employees can also be divided as elaborated in the work of Elger and Smith (2005), who argued for two management structures in Japanese factors in the UK. In YamaMax, communication in meetings between the Japanese and the French is very difficult because of language inefficiency on the part of both groups of employees. They communicate in English at YamaMax since none of French and Japanese speak other's language at anything other than a basic level. On the other hand, they also do not speak English well so either or both languages are spoken at the meetings. Sedgwick (2007) finds that, despite inefficient communication, French workers tend to simply listen without questioning Japanese superiors. At a later stage of his studies, an American manager from the corporation's sister plants replaced the Japanese plant manager at YamaMax, because of inefficient financial performance, completely restructuring it, with the American rather than Japanese being brought to work with the French workers. Some French managers were fired and the new American manager openly debated with French subordinates who tended to be reserved. In the end, neither the American nor the Japanese successfully turned around the plant in France, YamaMax. Given the analysis and facts, Sedgwick came to conclude that this Japanese management practice in the shop floor might not fit in France

by commenting that YamaMax “reproduced the atomization of labor and strong centralization of decision-making authority - the ‘Fordism’ - that the company had learned to avoid in postwar industrialization in Japan” (Sedgwick, 2007, p. 176).

Japanese management studies in Europe, therefore, specifically in the Netherlands and France, show a broadly similar picture as that in the US and UK (Oliver and Wilkinson, 1988; 1992; Eger and Smith, 1994; 2005; Kopp, 1999).

2.7 Conclusion: Research gaps and questions

This chapter aimed to identify research gaps and questions by reviewing the existing literature on ‘Japanese management practices’ and the practices identified with Japan. Japanisation was originally treated as a homogeneous phenomenon (Oliver and Wilkinson, 1992) but is now seen as hybrids of Japanese and local management practices in given geographic contexts (Elger and Smith, 2005). Furthermore, Abo’s (2015) comparative study on the ‘application’ and ‘adaptation’ of Japanese management practices raises the possibility that cultural meanings can be attached to practices very differently. Japanese management practices are embedded in Japanese society and culture but are now expected to be adapted to the society and culture where they are conducted.

There are several existing approaches which partially interpret the meanings of ‘Japanese management practices’ through a macro analysis. Varieties of capitalism and national business systems (Hall and Soskice, 2001; Whitley, 1991; 1999; 2003) theories help to explain how Japanese management practices have been embedded in specific institutional environments. These

practices, such as life time and long term employment, seniority based wages, teamwork, consensus oriented decision making, and corporate harmony, are evident in the Japanese coordinated market economy in which 'non-market relationships' are important. These approaches, however, are a one-size fits all approach in which the macro environment of society, economy and institutions is expected to determine how actors conduct practices. This thesis, however, will show that such approaches cannot satisfactorily elaborate the precise meanings embodied in Japanese management practices.

In the light of this review, four research gaps within Japanese MNCs subsidiaries have been identified:

- Less emphasis has been placed on non-manufacturing practices
- Few in-depth comparative case studies have been conducted within a Japanese MNC spanning Asia and the West
- Little attention has been paid to the cultural meanings attributed to the practices
- The manner in which Japanese expatriates and local employees are organised has been the subject of little scrutiny

Firstly, as stated above, less emphasis has been placed on non-manufacturing practices (see 2.2; 2.3). The current literature tends to focus on the manufacturing practices of Japanese manufacturing plants. Here, sales and marketing functions are merely part of the background of case studies. The chronological development of Japanisation shows that there is too heavy an

emphasis on the manufacturing methods of Japanese manufacturing plants in the host country, despite a few exceptions such as Asakawa et al.'s (2013) elaboration of the internationalisation of the service industry in Japan. Non-manufacturing practices, particularly in sales and marketing functions, have rarely been illuminated in respect to either Japanisation or Japanese management practices.

Secondly, few in-depth comparative case studies have been conducted within a Japanese MNC spanning Asia and the West (see 2.5). Many studies compare and contrast cases, in the same location, either between Japanese and local corporations or among Japanese corporations (e.g., Oliver and Wilkinson, 1988; 1992; Elger and Smith, 2005). This is because Japanese manufacturing plants have tended to be examined in order to prove the high productivity of their practices in comparison to other local plants. Thus, the units of comparison and contrast tend to be different local plants in the same geographic context. This suggests that in-depth comparative case studies within a single Japanese MNC are required. Nonetheless, in summarising the adoption of manufacturing practices at Japanese MNCs across six continents, the recent review of Abo (2015) demonstrates that there can be a variety of cultural interpretations of transferred manufacturing practices in Asia and the Western regions. In Korea and Taiwan, where there is a relatively high group consciousness among workers, the practices tend to be conducted as they would be in Japan, while in North America and Europe, where there is a low group consciousness among workers, the practices are not well adopted. This indicates that there are distinctive cultural as well as societal differences between Asia and the West.

Thirdly, the cultural meanings of the 'company as family' attributed to practices are rarely discussed (see 2.4). This may possibly explain why a set of transferred Japanese management practices were not easily achieved in the West, as discussed in Japanisation (e.g., Oliver and Wilkinson, 1988; 1992; Elger and Smith, 1994; 2005). These primarily focus on the transferability of the material practices without much attention being given to their cultural meanings. In contrast, Kondo (1990) strongly emphasises the embodied cultural meanings through practices and the 'company as family', which possibly underpins the features of the manufacturing practices: group orientation, harmony, and cooperation. Nonetheless, the cultural meanings of the 'family' have been focused on less frequently in the literature. Overall the current literature suggests that the manufacturing practices at plants have long been the main units of analysis, but that these are distanced from the cultural meanings ascribed to those practices across different geographical locations.

This is quite understandable since many Japanese management scholars, with the exception of Kondo (1990), a Japanese American, are 'non-Japanese speaking industrial sociologists', and therefore are fundamentally lacking an 'area knowledge of Japan'; this refers to society, national institutions, cultural practices and languages in Japan (Elger and Smith, 2005). Focusing on area knowledge makes it possible to further understand another aspect in the transfer of practices, namely embodied cultural meanings.

Fourthly, very little of the literature examines the extent to which Japanese expatriates and local employees are divided into two groups (see 2.3.3). This might be due to cultural differences, as Kopp (1999) discusses, or to

some other structural support from the headquarters. Here, she touches on the dominant position of Japanese expatriates assigned by the headquarters. The cultural differences between Japanese, Americans and Europeans makes it possible to isolate Japanese from local employees, but she does not mention in depth what really constitutes the management structures across Asian and Western regions. Elger and Smith (2005) simply share the interviewee's comment that there seem to be two management structures between Japanese expatriates and British employees, but do not elaborate on what divide these structures.

These research gaps are consistent with the tendency for Japanese management practices to be researched as macro level studies with quantitative methods, focusing on the material aspects of transferring practices, rather than their meanings. A considerable amount of the literature, with some exemptions (e.g., Delbridge, 1998), use quantitative methods because interviews in English are considered not to be well understood by Japanese expatriates (Kopp, 1999). Due to the diversity and complexity of practices in Japanese MNCs with different social, institutional and cultural effects, the practices, even if exactly applied as in Japan, may be interpreted very differently with different cultural meanings. Hence, drawing on these research gaps, three research questions have been defined regarding Japanese MNC sales subsidiaries:

Does the focus on the subsidiaries of a Japanese MNC help to illuminate:

- How non-manufacturing practices are being conducted across Asia and the West?
- How cultural meanings are being attributed differently to non-manufacturing practices across Asia and the West?
- How Japanese expatriates and local employees are being organised?

Japanese MNCs across borders are expected to generate hybrids (Elger and Smith, 2005; Endo et al., 2015). These hybrids and changes can only be interpreted through attributed meanings in practices across different geographic contexts. A variety of meanings attributed by such practices can be focused on by adopting the recently developed institutional logic approach in order to illuminate how meanings are culturally and institutionally attached to Japanese management practices across borders. In the next chapter, the institutional logic approach is introduced and discussed as a conceptual framework in order to further explore this question.

Chapter 3: An Institutional Logic Approach and Constellations of Logics

3.1 Introduction

This chapter aims to formulate a conceptual framework in order to analyse practices across the subsidiaries of a Japanese MNC. The chapter is divided into four sections. First, the recent development of institutional logics is reviewed. Second, other important institutional concepts are reviewed and a useful framework introduced. Third, agency, culture, and practice are reviewed and framed with compatibility and centrality. In the concluding section, the conceptual framework is summarised. The constellations of logics are adopted with the emphasis on the geographical locations in which practices are conducted. This is also expected to show another 'cultural space' where logics can be in play differently from those that are argued by institutionalists (Thornton et al., 2012). This means that logics defined through analyses focused on *Western* society may not work well in other regions.

3.2 Recent development of an institutional logic approach

This section aims to review and evaluate recent developments in the study of institutional logic and constellations of logics. It is divided into three sub-sections. First, an institutional logic approach is introduced. Next, constellations of logics are discussed. Finally, the relationality of the constellations of logics is elaborated.

3.2.1 *The institutional logic approach as a macro analysis*

Institutional logic was originally coined in the seminal work of Friedland and Alford (1991). They describe *Western* society as ‘the inter-institutional system’ comprising social sectors, such as ‘Capitalism, Family, Bureaucratic State, Democracy, and Christianity’. They define the institutional logic as “a set of material practices and symbolic constructions - which constitute its organizing principles and which is available to organizations and individuals to elaborate” (p248). Each sector has ‘a central logic’: Capitalism as ‘accumulation and the commodification of human activity’; Family as ‘community and the motivation of human activity’; Bureaucratic State as ‘rationalization and the regulation of human activity by legal and bureaucratic hierarchies’; Democracy as ‘participation and the extension of popular control over human activity’ and Christianity as ‘truth, whether mundane or transcendental, and the symbolic construction of reality within which all human activity take place’.

The institutional logic approach is coined as an explicit critique of the institutional isomorphism that fails to take complexity into consideration. In institutional theory, a concept of institutional isomorphism had been dominant. It was proposed by DiMaggio and Powell (1983, p147) as “a result of processes that make organizations similar without necessarily making them more efficient”. They argue that organisations tend to adopt the same organisational forms and structures, resulting in them becoming increasingly similar. This is caused not by efficient adaptation to competitive forces from external or technical environments, but by ritual adaptation to a social construction in environments. In a sharp contrast to this isomorphism, Friedland and Alford (1991) suggest institutional

logics at the societal level which possibly cause conflicts at the organisation and individual levels in a complex manner. These institutional logics can be identified across three units of analysis: society, organisations and individuals.

When institutions are in conflict, people may mobilize to defend the symbols and practices of one institution from the implications of changes in others. Or they may attempt to export the symbols and practices of one institution in order to transform another (Friedland and Alford, 1991, p255).

The symbols and practices are not simply given as the societal effects but also are transformed and even manipulated by individual actors at the organisational level.

Although Friedland and Alford (1991) based these institutional logics at the societal level, Thornton and her colleagues have sought to renew the institutional logic approach. Initially, Thornton (2004) extended the taxonomies of the inter-institutional system, 'institutional logics of societal sectors' to Markets, Corporations, Profession, States, Families and Christian Religions. She furthermore adds 'key characteristics', elements of each logic which are the economic system, symbolic analogy, sources of legitimacy/authority/identity, as the basis of norms/attention and strategy. Furthermore, she replaces Democracy logic, defined by Friedland and Alford (1991), with Corporation logic by claiming that democracy can be a variable to the corporations, which aim to have a

democratic management style with organisational hierarchies.

Recently, Thornton et al. (2012) have proposed a comprehensive matrix of the inter-institutional system comprising two axes: a Y-Axis of elements of logics and an X-Axis of logics of institutional orders. In this matrix, they define seven logics as Family, Religion, State, Market, Profession, Corporation, and the newly added Community. With reference to the recent studies of community (Marquis et al. 2007; Marquis and Battilana, 2009), they identify the institutional effects of community, refining this inter-institutional system. Although the original work of Friedland and Alford (1991) aimed to tease out a nuanced notion of institutional logics, distinctive from isomorphism, a series of work by Thornton and colleagues tends to revert the notion of institutional logics to once again be closer to the notion of institutional isomorphism: i.e. a deterministic structure and a summary of macro analyses where a social structure determines individual actors' behaviours by isomorphic pressures.

Furthermore, without giving clear reasons, they drop 'Christian' from 'Christian religions' (2004) and assert the 'religion' logic instead, seemingly characterizing other religions as having the same elements as Christianity. Nonetheless, this renewal may have gone too far since it makes assumptions about other religions, such as contemporary Islam or Buddhism, that may not be valid. They point out that the 'cultural space' of modern Islam, for example, can be in conflict with market principles while Christian religion would transform saving and investment into the sign of salvation (Weber, 2010). Moreover, this series of refinements assumes that the inter-institutional system of logics gradually becomes universal, even though it was originally specifically defined

as a basis of *Western* society.

These institutional logics at the societal level have been largely applied to institutional change at the organisational level, where one dominant logic is replaced by another among organisations. Thornton and Ocasio (1999), for instance, identified a shift of institutional logics at the organisation level in the publishing industry in the US from an editorial logic to a market logic. Attributes of editorial logic were replaced by those of market logic: personal capitalism was replaced by market capitalism; personal reputation by market position; increased sales by an increase in profits. Similarly, an historical analysis of accounting firms in Canada by Greenwood and Suddaby (2006) illustrates a shift from professional logic to market logic at the organisation level, leading to new organisational forms, 'the multidisciplinary practice' including accounting, legal, and management consulting services. Professional logic was confined to a narrow band of audit services but was replaced by a market logic comprising the demands of their clients who expand their business globally. As a consequence, a broad range of services such as a legal service was established for the sake of responding to clients' needs. This emphasises the effects of societal logics from macro analysis whereby the dominant societal logic is replaced by another among organisations.

One of dominant views on this level of analysis has been groups of organisations as the 'organisational fields' whereby the institutional logics from the societal level operate at the organisation level (e.g., Rao et al, 2003; Marquis and Lounsbury, 2007). This view is based on DiMaggio (1983) who defines organisational fields as "those organizations that, in the aggregate, constitute a

recognized area of institutional life: key suppliers, resource and product consumers, regulatory agencies, and other organizations that produce similar services or products” (p148). These macro levels of society and the organisational fields are assumed to enable organisational actors’ actions. Reay and Hinings (2009), for instance, describe a health care industry as ‘the Albert health care field’ in Canada. Thornton and Ocasio (1999) also apply the notion of the organisational field to the ‘higher publishing industry’ in the US, an organisational field whereby organisations are similar in acquiring their legitimacy in their economic activities. This strand in the literature primarily focuses on the macro analysis, although these levels of analysis are ‘nested’ in a complicated manner of “individuals competing and negotiating, organizations in conflict and co-ordination, and institutions in contradiction and interdependency” (Friedland and Alford, 1991, p240-1). Nonetheless, the concept of organisational fields can be useful to explain the complexity of Japanisation as Westney (1987) used, and how practices are revised, rejected, or transformed in different ways.

Quite recently, Friedland et al. (2014) asserted that varieties of logics can be in play across different institutions because of a metaphysical category in logics, ‘an institutional substance’ which can transpose across institutional sectors. This means that, within a legal institution like the corporation, other logics such as religion and ‘family’ may be able to be in play. They further elaborate the ontology of institutional logics by denying that they are simply mere subjects, objects, or practices, and instead affirming that they are built “through a metaphysical category – an institutional substance”. They assert that “(i)nstitutional substances are not values per se, but rather institutional objects

enacted and thereby valorized through practice, that is through the simple fact of their production” (p333). This is because a logic is “a social construct, a substance enacted in practices by which one gains access to it, affording emotions and affects that substantialize it” (p337). This places a strong emphasis on an institutional substance embodied by practices.

3.2.2 Constellations of logics as cooperative and competitive relationships among logics

Recently, some scholars have begun to question the dominant literature of institutional logics and institutional change as a macro analysis whereby there has been a shift from one logic to another logic. In particular, Goodrick and Reay (2011) propose ‘constellations of institutional logics’ as “the combination of institutional logics guiding behavior at any one point of time” (p399). Like “a configuration or positions of ‘stars’” in the sky, multiple logics can coexist, guide actors’ behaviours, and eventually be identified as patterns of cooperative and competitive logics.

By conducting a longitudinal study of the professional work of pharmacists in the US from 1852, Goodrick and Reay (2011) describe how the constellation of logics guides professional actors and their work in each era. The logics discussed are the market, professional, state and corporation logics. Through five eras, each around several decades, they analysed ‘a set of logics in a recognisable pattern’ and identified three constellations of logics: one with a single dominant logic, where the other three do not guide behaviours; another with two significant logics and other two with a less significant influence; and a

third constellation with one logic moderating three other less influential logics. The difference between dominance and moderation is visualised as the extent to which each logic is positioned higher or lower than the others. Primary attention here is given to the relationships among more than two coexisting logics. Unlike the previous literature which argued for two logics with one 'winning' and other 'losing', this is a useful concept which assumes multiple coexisting logics and 'their collective influence on a social actor'.

Through this strong emphasis on the effects of more than two coexisting multiple logics, they argue for constellations of logics composed of cooperative as well as competitive relationships. The competitive relationship is a 'zero sum' where there is an equal amount of gains and losses of logics in the available 'pie', whereas the cooperative relationship is 'non-zero sum' where there is a gain of multiple logics and possibly an expanded 'available 'pie'. Although what the 'pie' really means was not fully clarified by them, their approach entails a comprehensive concept of dealing with multiple logics.

More recently, Waldorff, Reay, Goodrick (2013) further elaborated the mechanisms of the constellations of logics, which enable as well as constrain actors' actions. Adopting a comparative case study of healthcare initiatives at micro and macro levels in Denmark and Canada, they conclude that two mechanisms, such as the 'presence of an influential logic' and an 'additive relationship between logics', enable actors' actions and eventually institutional change, while three mechanisms, such as 'strengthening alternative logics', 'segmenting competitive logics', and 'facilitative relationships' constrain actors' actions and in turn institutional stability. Unlike their previous study, which

focused on the professional work of pharmacists, this work extends its scope to the organisational fields in the healthcare industry as a whole. These mechanisms, however, can be contextually triggered according to actors in their contexts because it is actors that decide these relationships among logics (Smets and Jarzabkowski, 2013). Thornton et al. (2012) briefly touch upon actors' actions as 'partial autonomy', albeit not elaborating it further. Given enabled and constrained actors' actions through the constellations of logics, ceremonial aspects through boundaries of logic, as well as the cooperative and competitive relationships, are discussed below.

3.2.2.1 *Cooperative relationship among multiple logics*

The cooperative relationship among logics, the 'win-win' relationship in other words, has been rarely discussed by institutionalists. This means that strengthening one logic does not imply a corresponding weakening of another logic. Goodrick and Reay (2011) go on to elaborate on these 'non-zero sum' cooperative relationships in two different ways: as either 'facilitative' or 'additive' relationships. The facilitative relationship means that multiple logics gain collective influence to guide practices. In their study, customer knowledge of medication acquired through the internet and advertisements (the market logic) supported pharmacists' abstract knowledge (the professional logic) as the pharmacists interact with customers. Thus, one logic can facilitate another logic. In contrast, the additive relationship means that multiple logics guide different expectations which do not necessarily present conflicting demands. Goodrick and Reay (2011) explain this by saying that the pharmacists at some point

needed to show both professional competence and an ability to meet customer expectations. Both professional and market standards are not conflicting but simply additive in the sense that they are two different standards guided by the professional and market logics. Thus, one logic can be added to another logic.

This concept of the cooperative relationship alongside the competitive ones is quite useful in illuminating culturally complex meanings in respect to practices. It certainly helps to describe and explain the ebbs and flows of coexisting multiple logics through the dynamic relationships among logics. Both the 'facilitative' and 'additive' concepts, however, may not generally be used in practice unless a group of actors has to be narrowly limited. In their case, pharmacists, as the professionals, are the main focus of actors, and thus facilitative and additive relationships are easily defined from the view of the pharmacists. This means that, for surrounding groups of professionals, like nurses and medical doctors, these relationships may not be the same as those of pharmacists. For instance, the facilitative relationship for a doctor may turn to be additive for a pharmacist. Thus, these two relationships have to be examined with great caution. Furthermore, the distinction between facilitative and additive relationships may be further blurred: Waldorff, Reay, Goodrick (2013) argue for 'facilitative relationships' additionally meaning 'strengthening one logic serves to strengthen another logic', while Goodrick and Reay (2011) originally argued for 'additive relationships' as extending the 'pie'.

A more useful concept can be that of the 'amplified' effects of logics used by Greenwood et al. (2011). They lend support to amplified effects by questioning: "... whether the logics of family and religion, when they occur

together, amplify each other's effects because of their common theme of social responsibility and their antipathy to the more individualized implications of the neoliberal market logic" (Greenwood et al., 2010, p527). Their study concerns the case of 'family' firms in Spain, describing the organisational environments surrounding the Spanish manufacturing industry. Using quantitative analysis of the downsizing of the Spanish manufacturing sector between 1994 and 2000, they examine the inter-relationships between the market, family and state logics. Then they conclude that the market logic, specifically originating from small to medium-sized enterprises, is mediated by non-market logics. This occurs directly through the 'family' logic and state logics and indirectly through the religion logic. The fact that "the relevance of family in Spain is at least partly a function of the Catholic Church" (Greenwood et al., 2010, p535) helps to identify the amplified aspects of these logics. Here, in respect to constellations of logics, this study of the amplified logics (Greenwood et al, 2011) is simply considered as 'facilitative relationships' among logics by Waldorff, Reay and Goodrick (2013). Nonetheless, it emphasises the strengthened effect of logics, rather than simply facilitating logics, bringing about a distinction between amplified and facilitative relationships: the former strengthens logics yet the latter only facilitates logics without necessarily strengthening them. Although it primarily concerns the heterogeneous effects of multiple logics from the macro analysis, the notion of amplified effect can be useful in describing enactments of cooperative relationships among logics through practices.

In Japanese MNCs, the cooperative relationships can probably be identified with the 'family', corporation, religion, and market logics because

Japanese are considered to view 'company as family' (e.g., Keys and Miller, 1984; Hatvany and Pucik, 1981; Kondo, 1990) (see 2.4). Japanese manufacturing and non-manufacturing practices are underpinned by the notion of 'family' which is 'hearth', "signifying people who belong to the same domestic group" (Kondo, p121) and thus, share 'a common destiny' (Kondo, 1990). The notion of 'family' can be recognised especially in Asia, and therefore may be amplified with other logics. Nonetheless, this may not be the case in the Western regions because of their cultural preference for individualism (e.g., Graham, 1994).

3.2.2.2 *Competitive relationships among multiple logics*

The competitive relationship among two logics, both the 'victory' of one logic and the 'defeat' of another logic, has been frequently discussed by institutionalists. It implies a 'zero sum' where the strengthening of one logic provokes a weakening of the other logic. The concept is associated with early institutionalists such as Thornton and colleagues, who argued for zero sum relationships among logics (e.g., Thornton, 2004). Goodrick and Reay (2011) claim that, in competition among logics, there must be an equal amount of both gains and losses in 'the total available "pie"'. Despite no clear definition of what the 'pie' really is, the competitive relationship heavily implicates a zero sum relationship among logics, thereby bringing about 'segmented' practices guided by different logics. The concept of 'segmenting' responds to the competitive relationship among logics, arguing that the coexistence of multiple logics results in "segmenting their impacts on different actors, geographical communities, or types of organisations"

(p379). In a nutshell, each practice is guided by different logic. 'Segmenting' can be a mechanism which allows competitive logics to coexist by dividing up the total 'pie', thereby concluding that professional work is segmented by multiple logics. This competitive relationship can include 'incompatible' relationships among logics, such as conflict and tension.

This 'segmenting' echoes 'organisational responses' to 'institutional complexity' (Greenwood et al., 2011). Like the constellations of logics, institutional complexity is built on parts of a critique of the current literature, with its overriding emphasis on a single logic dominating the organisational field. It has different underlying assumptions from the constellations of logics, however: it is limited only to the competitive relationship among logics; and it treats primarily 'organisations' as institutional actors. The concept of institutional complexity is based on the competitive relationship between logics in reference to "the number of logics and the degree of incompatibility between them" (p334). In their study, a response can be the 'partitioning/compartmentalising' of an organisational unit into different norms, practices, processes and mind-sets. These are parts of the 'organisational response' to institutional complexity generated in the organisational field.

Furthermore, the conceptualisation of complexity is apparently based on the assumption that organisations are institutional actors, giving a high priority on macro analysis. They then go on to argue that multiple institutional logics at a societal level can be played out at the organisational and intraorganisational level. This demand is an outgrowth from their assumption that not all organisations receive institutional pressure equally at the organisational field

level because organisational arrangements serve to filter complexity. Although institutional complexity has a limited focus on only the competitive relationship and organisational actors, the concept of 'partitioning/compartmentalising' (Greenwood et al., 2011) may help to explain how logics are fragmented within 'organisations'.

Other possible responses to the competitive relationship among logics can be 'actors' active collaboration'. With the case study of health organisations in Canada, Reay and Hinings (2005) describe coexisting logics as a part of institutional change, focusing on the empirical investigation into how a field can be re-established after institutional change. Later, they develop this investigation to the question of how to manage competing logics. Reay and Hinings (2009) clarify that favouring conditions of dealing with competing logics can be 'mechanisms for managing the rivalry of competing'. They identify conditions that make the coexistence of multiple logics possible. That is, multiple coexisting logics can be managed through collaborations of actors because active collaboration by actors can resolve the contradiction and conflicts which can be introduced by the rivalry of competing logics. Their argument is based on actors' voluntary actions and motives to manage institutional logics, rather than norms and myths in institutionalism, which shape actors' actions.

In Japanese MNCs, the competitive relationships among logics are estimated to be identified in the foreign subsidiaries of Japanese MNCs, especially in Western regions, as the unsuccessful cases of transferring Japanese management practices imply (Elger and Smith, 1994; 2005). In particular, the 'family' logic associated with group orientation and collective

responsibility may sharply conflict with independent individuals based on the market logic (e.g., Graham, 1994). By contrast, in Asia, the competitive relationship may be minimal.

3.2.2.3 *Ceremonial aspects though boundaries of logics*

Meyer and Rowan (1977) define ceremonial aspects deriving from formal organisational structures which reflect on institutional rules as myths. They argue that 'organisations' need to incorporate institutional rules gaining legitimacy from society in order to survive in those environments. The ceremonial organisational structures are due largely to inconsistencies between technological efficiency (market logic) and institutionalised organisational structure (corporation logic). This proposition of Meyer and Rowan (1977) was supported by the work of Westphal and Zajac (1998) who examined the share price of corporations. Adopting a quantitative method, they discovered that the price went up when the corporations adopted a legitimate practice such as 'long-term incentive plans', regardless of whether they actually implement it or not. This indicates that their adoption was principally a ceremonial corporate practice. Similarly, Oliver (1991) positions these ceremonial organisational structures as distinct from real activities as a consequence of the 'strategic responses' to institutional process. Following Oliver, Greenwood et al. (2011) rephrase it as 'organisational responses' to institutional complexity.

In the constellations of logics, the ceremonial aspects emerge as a consequence of 'segmenting' logics. Goodrick and Reay (2011) indicate the complexity of coexisting logics by showing that some dimension of the

professional work of pharmacists enacts different logics, thus 'segmenting' their impact on practices. The pharmacists' work is manifested through segmenting the professional logic (their professional competence in pharmaceutical knowledge) and the market logic (the commercial ability to meet customers' expectations about medicinal drugs). As Meyer and Rowan (1977) argue, however, while ceremonial aspects are expected to emerge in particular through 'segmented' inconsistencies between efficiency (the market logic) and organisational structure (the corporation logic), this may not always be the case in respect to constellations of logics which comprise of more than these two logics. Not only do other logics, such as the 'family' and religion logics, affect ceremonial aspects, but they can also be sources of inconsistencies causing ceremonial aspects. This 'segmenting' assumes the intimate relation between logics and 'different actors, geographical communities, or types of organisations', rather than within intra-organisations.

Furthermore, articulating this 'segmenting' as a 'compartmentalisation' Greenwood et al. (2011, p342) touches upon the existence of 'organisational communities' by stating that "(t)he structural division of this sense, creates intra-organizational communities which, connected to field-level occupational communities, are "quite likely to differ in their awareness of, and receptivity to, institutional pressures". The concept of organisational communities assumes the organisational field level structure which influences 'organisational actors', in their words, at the organisational level. Greenwood et al. (2011) further imply that these organisational communities are expected to play a key role in 'segmenting' logics, 'compartmentalising' in their words, by representing and

importing logics into different 'organisational' units. They further raise the possibility that the receptivity of the organisational communities' members may be strongly affected by 'the thickness of ties' of organisational communities to their organisational fields. The thicker ties are, the stronger role they can play.

Focusing on the individual level, rather than intraorganisational units, Suddaby et al. (2012) sheds light on actors' profiles of their 'life histories' which constitute actors' 'institutional reflexivity'. Analysing the communications consultancy field in France, they reach a conclusion that "incumbents were able to maintain their position in the social order because of... their ongoing understandings" (p44). They attribute 'institutional reflexivity' to actors' 'life histories', which are social position, expert power, and rhetorical skill, by arguing that:

Variations in one's personal biography, thus, may afford greater institutional reflexivity because of their social position, their educational history, their network relationships, their hierarchical position within organizations and a host of other factors that differentially expose some to higher degrees of reflexivity than others (p13).

Thus, actors' profiles can be a key to achieving institutional reflexivity to surrounding institutional environments. In institutional logics, this strongly echoes the work of Battilana and Dorado (2010), which illuminates actors'

profiles of conducting practices enacting a particular logic. Conducting comparative analysis between successful and failed microfinance banks in Bolivia, they conclude that the particular logic manifested by the previous experience of hired employees ultimately prevented them from acquiring other ways of working, and thus becoming a successful bank.

For Japanese MNCs, Japanese expatriates can be organisational communities who are closely associated with 'a field level family logic' to the subsidiaries (Greenwood et al., 2011; Elger and Smith, 2005). The 'family' logic is considered to be bounded to only Japanese communities and thus may allow only Japanese expatriates to be *uchi*; the inner group of 'family' members. Their ethnocentric structures, whereby Japanese expatriates play a dominant decision-making role (Kopp, 1999), echoes the idea of 'two management structures' between Japanese and locals (Elger and Smith, 2005). Actors' profiles of organisational communities, however, play an important role in referring back to the organisational fields (Suddaby et al., 2012). A key point can be whether or not actors have experience of conducting Japanese management practices enacting the 'family' logic in their profile. This may provoke ceremonial aspects of work organisation since, as Kopp (1999) indicates, Japanese expatriate managers dominate the decision-making process in the subsidiaries while local managers are little involved.

3.2.3 Relationality of constellations of logics in Asia and the West

Constellations of logics are quite useful in unpacking the nuanced relationships between more than two logics. One emerging issue with regard to a workable

definition of these competitive and cooperative relationships, however, is what really makes logics incompatible or compatible. The source of both 'incompatibility' and 'compatibility' between logics does not rest on the logics themselves but upon actors conducting particular practices (e.g., Smets and Jarzabkowski, 2013). It is crucial to understand how actors in their contexts reproduce, resist and transform practices through constellations of logics.

Granted, the constellations of logics unpack multiple logics operating in certain contexts, such as the work of professional pharmacists being built on cooperative as well as competitive relationships among multiple logics. Notwithstanding this strong emphasis on varieties of multiple logics, this may lead to reified constellations confined to one historical context only. The constellations cannot simply be given by society. Rather, constellations themselves can be assumed to be generated through individual actors' actions and identification. Hallett and Ventresca (2006) argue for 'inhabited institutions' rather than institutions carried by logics. They claim that institutions are not just an 'inert container of meaning' through logics but that they are 'inhabited' by individual actors. The term 'inhabited institutions' helps to explain the notion of constellations of logics from individual actors' views. This relationality of the constellations of logics can be investigated in depth as individual actors' products and individual actors' enablements and constraints.

The relationality is also ensured by the 'geographical communities' in which particular institutional logics are rooted (Marquis and Lounsbury, 2007; Lounsbury, 2007). By exploring a case study in which a national bank acquires local banks across a number of states, Marquis and Lounsbury (2007) show that

particular institutional logics can be embedded in geographically different locations. They examine a tension of competing logics between national and community logics: a 'community' logic of local autonomy focuses on avoidance of financial consolidation, whereas a 'national' logic of economic efficiency focuses on geographical diversification through expanding and standardising bank branches. In this case, a community tends to 'protect local autonomy' against a demand to standardise for efficiency. This shows that the geographical locations where constellations of logics are formed do matter.

In subsidiaries of MNCs, these geographical locations among home and host countries are highly likely to provide different sets of co-existing logics (Kostova et al., 2008). Geppert et al. (2006) assert that transferring practices from the headquarters to their subsidiaries may cause potential conflicts because the subsidiaries of MNCs are locally embedded in their home and host countries. In institutional theory, this echoes a 'relational institutional analysis', as Delbridge and Edwards (2007) suggest. More recently, Delbridge and Edwards (2013) have also argued that these contexts result in 'conditioned' actions of individual actors and agency due to constellations of logics and institutional complexity consisting of multiple conflicted logics in play together. This assumes that actions and agency are 'evolving through time' according to each relational context. This context, surrounding different institutional environments, would be expected to have a different set of constellations of logics. The 'geographical communities' in Japanese MNCs can be all the non-Japanese actors, such as local employees and local customers, who have nothing to do with the Japanese, and are therefore divided by two managements

(Elger and Smith, 2005).

Furthermore, in Japanese MNCs, the 'family' logic is manifested in 'company as family' (Kondo, 1990), which strongly implicates the relationality of logics themselves because the concept of institutional logic was coined from the analysis of *Western* society, not Japanese society. Friedland and Alford (1991) did not forget to remind us of the limitation of their model by stating that people in non-Western societies, "are less likely to conceptualize individuals independently of the roles they occupy and the contexts in which they are sustained" (p239). In particular, the application of logics to Japanese MNCs needs to pay more attention to surrounding contexts since they posit that:

In Japan, a highly industrialized nation, the concept of individualism was a foreign introduction, for which there is still no adequate translation. Its translation still has the pejorative connotation of self-centeredness. For whatever reason, some societies do not conceptualize, let alone value, an abstract individual. Clearly, the achievement of individuality was as much a cultural transformation as it was the natural outcome of the division of labor. (Friedland and Alford, 1991, p239)

Thus, the application of institutional logics needs to be done with attention to the geographical locations of Japanese MNCs in both home and host countries. This echoes the 'cultural space' warranted by Thornton et al. (2012), who raise the

possibility of a national culture.

This is the case especially in the West, where the preference is for individuality rather than the collective identities of Japanese actors (Kondo, 1990). Comparing Japanese identities with American ones, Kondo (1990, p22) identifies the existence of collective identities in Japan when reporting a comment from an informant that “Japanese don’t treat themselves as important, do they?” (p22). She continues to reflect on the significance of the comment by stating that:

Not only did it perfectly capture my own feelings being bound by social obligation, living my life for others, it also indicated to me a profoundly different way of thinking about the relationship between selves and the social world. Persons seemed to be constituted in and through social relations and obligations to others. Selves and society did not seem to be separated entities; rather the boundaries were blurred” (p22).

If so, then the relationality is profoundly taken into consideration when adopting institutional logics. As a Japanese American, her view stems from comparison and contrast between American interpretations of ‘individuality’ and Japanese interpretation of selves ‘constituted in’ society. This echoes ‘company as family’ where the boundary between the two axes is blurred (Kondo, 1990). Indeed, this illuminates the new ‘cultural space’ which Thornton et al. (2012) articulate as

logics operating in a cultural manner. Thus, institutional logics need to be considered together with their relationality in Asia and the West, and this possibly addresses their limitations.

3.3 Framing agency, culture and practice with compatibility and centrality

This section aims further to review other important concepts related to agency and culture through practice theory and examines a possible framework for locating the various relationships between logics in a comprehensive manner. First, the concepts of agency and practice are reviewed. Second, the concepts of culture and practice are elaborated. Third, a compatibility and centrality model is introduced as a potential framework.

3.3.1 Focusing on agency and practice: embedded agencies, institutional work, and institutional complexity

In institutional theory, the concept of agency has been influential as far back as DiMaggio (1988), who argued for the importance of agency, especially in explaining institutional change. He claimed that institutional theory could not give an adequate account of institutional reproduction and transformation without taking into account actors' interests and agency. This is because "new institutions arise when organized actors with sufficient resources (*institutional entrepreneurs*) see in them an opportunity to realize interests that they value highly" (p14) (emphasis in original). If institutional change is understood as being driven at the societal and organisational levels (Thornton and Ocasio, 1999; Greenwood and Suddaby, 2006), however, a question is raised as to how human

agency that is embedded in and confined to existing institutions can change institutional arrangements. This is called 'the paradox of embedded agency': how actors become institutional entrepreneurs if they are embedded in the existing institution (e.g., DiMaggio and Powell, 1991; Friedland and Alford, 1991; Sewell, 1992; Holm, 1995; Seo and Creed, 2002). Holm (1995), for instance, asks: "How can actors change institutions if their actions, intentions, and rationality are all conditioned by the very institution they wish to change?" (p398). Holm (1995) points out that "In a nested-systems perspective, a distinction is made between action guided by institutions on the one hand, and action aimed explicitly at manipulating institutional parameters, on the other" (ibid, p400). His question directly talks to an issue of agency in institutional change, which may derive not only from exogenous factors but also from endogenous ones.

Adopting a dialectic perspective, Seo and Creed (2002) illuminate the processes by which actors could and could not change institutions by which they had been conditioned. They focus on enabling conditions surrounding agency, because in a society "multilevel processes produce a complex array of interrelated but often mutually incompatible institutional arrangements (Totality). Such institutional incompatibilities provide a continuous source of tensions and conflicts within and across institutions (contradiction)" (p225). Hence, they conclude that "institutional contradiction may trigger, enable, and limit praxis for institutional change" (p231-232). Moreover, they argue that the contradictions are the 'driving force' of institutional change, enabling "a shift in partially autonomous social actors' collective consciousness from unreflective and passive mode to a reflective and active one" (p231). These may also provide

“alternative logics of action and psychological and physical resources to be mobilized, and appropriated and transposed in the process of institutional change” (ditto). This argument, therefore, asserts that agency may rely on whether actors recognise that inter-institutional incompatibilities should be made compatible or not.

Although their explanation of agency in institutional change helps to clarify the roles of agency and interests, a question about the autonomous aspects of agency still remains. That is, given perceived contradictions, actors may choose to either maintain or change existing institutions. Lawrence and Suddaby (2006) propose the concept of ‘institutional work’, to deal with this situation, assuming the concept of active actors as argued by DiMaggio (1988) and Jepperson (1991). Lawrence and Suddaby use “the concept of ‘institutional work’ to represent the broad category of purposive action aimed at creating, maintaining and disrupting institutions” (p216). Then, Lawrence and Suddaby (2006) go on to enumerate the possible forms of institutional categories such as creation, maintenance and disruption. They elaborate tactics and patterns of actions of agents who encounter institutional pressures rather than theorise agency in institutional change.

Lawrence, Suddaby and Leca (2009) subsequently published an edited book titled ‘*Institutional Work: Actors and Agency in Institutional Studies of Organizations*’, developing the concept of institutional work and its empirical analysis. In this book, the concept of agency is married with that of institutional work. In particular, Battilana and D’Aunno (2009) propose a three by three matrix framework combining forms of institutional work and dimensions of agencies

(Emirbayer and Mische, 1998). Through this framework, they clarify that individual agency is not a 'constant attribute' but is 'evolving through time'.

This dynamic view of agency was further considered and developed by Zietsma and Lawrence (2010), who proposed two forms of institutional work, boundary work and practice work. According to them, boundary work refers to "the attempts of actors to create, shape, and disrupt boundaries while practice work refers to 'institutional work aimed at creating, maintaining, or disrupting practices'" (p190). Adopting 'an in-depth longitudinal analysis of the coastal forest industry in British Columbia, they reveal that the interplay of boundary and practice work affect institutional stability and change. They explain the interdependent relationship by arguing that "(t)hus boundaries and practices are distinct, interdependent features of groups that exist in a recursive relationship, with boundaries delimiting sets of legitimate practices, and practices supporting particular group boundaries" (p193). Then, they find that, while agency is primarily habituated to maintaining boundaries and practices in institutional stability, it can also be projective and practical in terms of challenging boundaries and practices. They conclude, therefore, that embedded agency is not paradoxical with understanding of heterogeneous agencies.

Later on, the issues of agency was further elaborated and analysed with the concept of institutional complexity, which Greenwood and his colleagues coined (Greenwood et al., 2011) (e.g., Smets and Jarzabkowski, 2013; Delbridge and Edwards, 2013; McPherson and Sauder, 2013) (see also 3.2.2; 3.2.3). Unlike the examination of institutional complexity from a macro perspective (Greenwood et al., 2011), the work of Smets and Jarzabkowski

(2013) aims to suggest a relational and dynamic perspective on institutional complexity by drawing on the idea institutional work. In their understanding of institutional complexity, competing logics are not given but constructed by actors. Delbridge and Edwards (2013) took a different methodological approach. Drawing on critical realist ontology, they proposed a relationship between agency and structure to show how agents are oriented for events in either the past, present, or future, are coupled with different outcomes and actions. They elaborate how agency is conditioned by institutional complexity and competing logics.

In a closer examination of individual agency, the work of McPherson and Sauder (2013) reveals how actors manage institutional complexity by exercising their agency, drawing on available logics in daily practices. Through an ethnographic study of a drug court in the US, they clarify that actors use both home logics associated with actors' interests and non-home logics irrelevant to their interests. Unlike non-home logics, which are irrelevant to particular actors' interests, home logics concern those logics with which actors are primarily associated: e.g. probation officers are associated with the criminal punishment logic; clinicians with the rehabilitation logic; public defenders with the community accountability logic; and state attorneys with the efficiency logic.. Through their ethnography, actors used available logics within three types of structural constraints: procedural, definitional and positional. Procedural constraints refer to the formal rules and norms of the drug court, limiting the use of particular logics. Definitional constraints concern the contents of logics limiting the achievement of actors' goals. Positional constraints concern different actors'

formal positions limiting the use of logics. Assuming a cultural 'tool kit' approach where actors can have a repertoire of habits and skills (Swidler, 1986), McPherson and Sauder (2013) argue that, in order to manage institutional complexity, actors need to draw collectively on 'a shared toolkit of logics', i.e. the logics of other actors as well as their own. In their argument, autonomous actors are expected to use available logics in order to achieve their particular goals.

Furthermore, McPherson and Sauder (2013) analyse and elaborate negotiation among actors in terms of competing logics at the individual level, as opposed to at the organisational and societal levels (e.g., Lounsbury, 2007; Marquis and Lounsbury, 2007). Observing individual negotiations, they found that, through negotiation, "actors exploit available resources to solve the problems at hand" (McPherson and Sauder, 2013, p186). Thus, this micro level analysis demonstrates that actors can even 'hijack' the logic of other actors for the sake of achieving their own interests. This also indicates the significance of the ability of local actors to draw on resources from other actors' institutional backgrounds in order to maintain the existing institutional structures since "the need to meet the pressing demands of the local organisations overrides more remote professional and institutional differences" (ditto).

In contrast, other research still elaborates the concept of institutional complexity at the organisational level, rather than at the individual level or with agency. Kodeih and Greenwood (2014) conducted empirical research about four French business schools responding to the demand to internationalise their management education and, at the same time, to retain their organisational and institutional identities. They argue that the identity aspirations of organisations,

rather than their current identity and status, shape the institutional complexity they experience and the organisational responses they create. With an emphasis on decision makers, rather than other organisational members, Raaijmakers et al. (2015) examine the responses of decision makers in organisations, bringing about two factors influencing organisational responses, such as actors' interpretation of institutional complexity and personal beliefs regarding practices. Furthermore, Raynard and Greenwood (2014) propose a framework to sort out types of institutional complexity, defining four ideal-type configurations: segregated complexity, restrained complexity, aligned complexity, and volatile complexity. These studies, however, focus on more organisational responses to institutional complexity than on agency inhabiting institutional complexity.

A series of arguments about embedded agency, institutional work, structural constraints, and institutional complexity, has therefore comprised the debate on structure and agency, with either at various times dominating the other. Both arguments regarding structure and agency, however, need to be considered and incorporated in terms of constellations of logics in order to explore the meanings embodied in practices in Asia and the West. In the next sub section, therefore, the relationship between culture and practice is discussed.

3.3.2 Focusing on culture and practice: institutional duality, adaptation and recontextualisation

With an emphasis on practices which are especially transferred across different

geographical contexts, some scholars have conducted micro level analyses rather than the traditional macro analyses. This is referred to as the 'practice turn' in institutional theory (Schatzki et al., 2001, Greenwood et al., 2011; Thornton et al., 2012). Originally, the transferring practice studies tended to be based on a macro analysis across national contexts. Kostova (1999) and Kostova and Roth (2002), for example, argue for 'institutional duality' by analysing MNCs, the subsidiaries of which suffer competing institutional demands from both a host country and its headquarters. With an emphasis on a global firm transferring its practices, Muzio and Faulconbridge (2013) analyse how the practices of a global English law firm are mediated by local institutions in Italy, such as regulations, norms, and cultural framework (Scott, 2008). Based on institutional duality (Kostova, 1999; Kostova and Roth, 2002), their claim is that the diverse practices generated by each institutional environment, rather than the institutions in their host and home countries, mediates 'one firm' applying the practices in England to those of Italy. This research prompts another research question of "how distinctive geographic logics combine and interact with other types of institutional logics" (Muzio and Faulconbridge, 2013, p920), assuming that geographically dominant logics are distinctive across countries. This distinction, albeit clearly defined, is due to either or all of societal, economic and cultural difference.

Ansari et al. (2010), meanwhile, put forward the characteristics of the adaptation of practice by analysing not only the demand side, such as adopters' organisations, but also the supply side, diffusing practices. They argue that there are political, technical and cultural fits on the demand side, adopters'

organisations, intraorganisations, and supraorganisations where they operate. On the supply side, a practice can be a 'cultural object', "the meaning structures and cultural values the practice embodies" (Ansari et al., 2010, p78). Later Ansari et al. (2014) elaborate this cultural object in international contexts. Conducting empirical research, they propose a model of management practice adaptation by studying the transfer of a quality management practice across national contexts. The adaptation of 'Achieving Competitive Excellence' (ACE) is analysed in subsidiaries of a MNC in the US, Europe and Asia. It was first devised in the US, then transferred to Europe and Asia, bringing about political, technical and cultural misfits, and modifications of the practice to fit itself into local contexts. For example, Asian respondents accepted it without question, while Europeans questioned it and the US transformed it. They claim that the adaptation of a practice in local contexts is a necessary condition for diffusion of practice.

In practice adaptation across national and cultural contexts, the cultural fit can be established through mutual efforts between a home country and host country. Canato et al. (2013) do not forget to remind us that the organisational cultural misfits are overcome by coerced practice implementation. Although not focusing on a national culture, they conclude, using the case of the implementation of Six Sigma in 3M, that low cultural fit can lead to a mutual adaptation of practice and culture. Furthermore, this depends on actors' cognition of multiculturalism. These cultural misfits are treated as constraints in practice adaptation, strongly supporting the work of Abo (2015), who points to the limitations of Japanese management practices in the West. Furthermore,

Lücke, Kostova, and Roth (2015) explore the effects of multiculturalism, using a cognitive perspective to explain how individual cognition interacts with its national contexts. In their conceptual paper, they further define five stylised patterns of MNC managers dealing with practices, compartmentalisation, integration, inclusion, convergence and generalisation.

In institutional analysis, the cultural influence of transferring practices is scrutinised and evaluated in recent work (e.g., Gond and Boxenbaum, 2013; Cramton and Hinds, 2014). Exploring institutional work in different national contexts, Gond and Boxenbaum (2013) conduct two case studies where a responsible investment practice is transferred and transformed from the US to France and Quebec. They then propose three types of contextualisation of a practice by adopters: filtering, repurposing and coupling. Filtering concerns disentangling the material elements in a given context while repurposing refers to changes of meanings in the context. Coupling, meanwhile, refers to a combination of meanings and objects. These types explain how a responsible investment practice in the US (so-called 'ethical investment') is expected to solve, to some extent, racial, religious and consumer problems in that context, but cannot from French perspectives in France and Quebec. These cultural misfits stem not only from practice but also actors' cognition.

With a focus on adaptation practices across national and cultural contexts, the work of Cramton and Hinds (2014) demonstrates how actors adopt practices across national contexts. Analysing how global teams dynamically adapt software development practices across different national and cultural contexts, Cramton and Hinds (2014) propose 'an embedded model of cultural

adaptation in global teams'. With their dialectic model, they demonstrate how actors interact and adapt themselves to cultural differences among developers' teams, in this case located in India, Germany and the US, and with each embedded in local conditions, institutions and norms.

More recently, some scholars directly combine an institutional logics perspective and transferring practices across different national and cultural contexts. Adopting an ethnographic study about an MNC, Värlander et al. (2016), for instance, argue that transferring practices are recontextualised across geographical locations through constellations of logics. They claim that constellations of logics, differing by site and by practice, guide the recontextualisation of meaning and action in local contexts. To demonstrate this, they analyse three practices in software development: the 90-day cycle, user-centred design, and open collaborative spaces. Transferred practices are elaborated and analysed at three sites, the US, India and China through constellations of four logics, entrepreneurial, market, community and engineering. Each practice at each site embodies different constellations of logics. Given their analysis by practice and by site, they propose a two by two quadrant that is 'outcome based on recontextualisation of meaning and action'. Within this, they introduce four types of recontextualisation: absence of recontextualisation; performance recontextualisation; reconstrued recontextualisation and radical recontextualisation. They claim that these recontextualisations of meanings and actions in the transferred practices are informed by multiple logics which are drawn from local actors. The concept of recontextualisation stems from Brannen (2004), who describes how when

Disney's theme park practices are transferred from the US to other a country, such as Japan and France, there is a shift from one dominant meaning to another one. Adopting semiotics, she characterises as recontextualisation as the process by which actors adapt the meanings attributed to practices in different contexts.

One of Värlander et al.'s (2016)'s contributions is that their work demonstrates national cultural influence on institutional logics with a focus on transferring practices, thus responding to a recent call not only to "explain how and why culture influences a range of organizational processes" (Giorgi et al., 2015, p30) in practices, but also to "better account for the role of contextual factors in cultural processes" (ditto, p35). In particular, each site demonstrates different constellations of logics. In the transfer of user-centred design, actors in the US enact the market logic only, while those in China additionally apply the engineering logic, and those in India instead use only the community logic. According to Värlander et al. (2016), this is not the 'adoption' of practices typically elaborated by other scholars. Kostova and Roth (2002), for example, explore quality management practices which are transferred from an MNC's the headquarters in the US to its subsidiaries within an MNC are 'ceremonially adopted'. Kostova and Roth's (1999; 2002) studies emphasise the transfer process itself rather than the meanings and actions associated with practices. Värlander et al. (2016), in contrast, raise concerns regarding the possibility of universal logics by mentioning that the contents of logics themselves may not be free entirely from the cultural influence of a nation state. Their position echoes a series of articles published in the *Journal of Management Inquiry* 2012 which

discussed a boundary between culture and institutional theory (i.e., Schultz, 2012; Aten and Howard-Grenville, 2012; Hatch, 2012). The work of these scholars tends to clarify the existence of a relationship between culture and institutional theory in terms of different levels of analysis and causal relationships.

To date, the influence of a national culture has been treated as static, rather than dynamic. In other words, the meanings attributed to logics are universally consistent. Moreover, the literature tends to discuss the effects of culture on logics and or practices across national contexts by treating national culture, practice and logics separately. In the next section, a compatibility and centrality framework is introduced in order to solve these issues related to agency, culture and practice in a comprehensive manner.

3.3.3 A compatibility and centrality framework for institutional logics

In order fully to understand actors' meanings in terms of institutional logics, the concepts of agency, culture and practice have to be absorbed into a single comprehensive picture. In their conceptual paper, Besharov and Smith (2014) propose a two by two quadrant which clarifies four types of multiple logics within organisations by two dimensions, such as compatibility and centrality. Compatibility refers to 'the extent to which the instantiations of logics imply consistent and reinforcing organisational actions'. It can be influenced by all the levels of analysis, such as institutional field, organisation, and individual levels. At the institutional level, the 'number of professional institutions and relationship between them' influence compatibility, that is compatibility is higher when

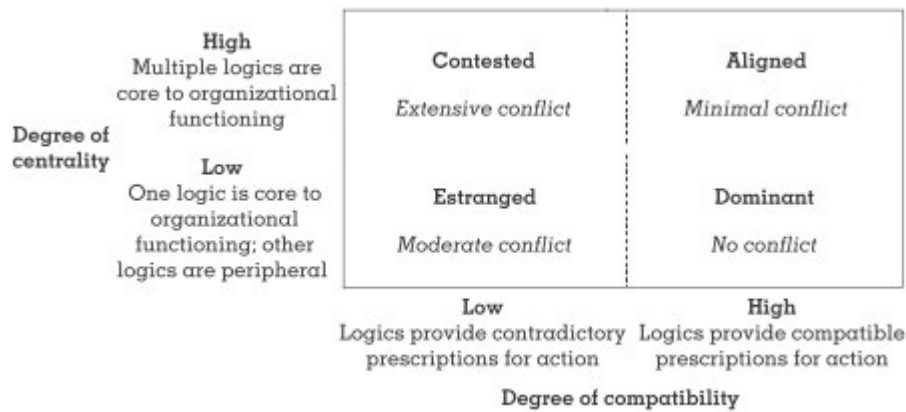
organisational goals, not organisational actions, are consistent, and lower when they are inconsistent. At the organisation level, meanwhile, hiring and socialisation influence compatibility since they define who are in organisations with multiple logics, and which organisational members have been engaged. At the individual level, the characteristics and interdependence of organisational members influence compatibility because the members may have carried over logics in relation to their field and organisations.

Similarly, the dimension of centrality concerns 'the degree to which multiple logics are each treated as equally valid and relevant to organisational functioning'. Centrality is higher when multiple logics are manifested in core organisational functioning and lower when a single logic manifests itself in core functions while other logics guide peripheral operations. For example, older Japanese management studies (e.g., Bhappu, 2000, Keys and Miller, 1984; Hatvany and Pucik, 1981), are based on high centrality in which all the logics, such as family, market and corporation, are manifested in a core function in a harmonious manner. In contrast, the ethnographic work of Kondo (1990) manifested low centrality in which the family logic is dominant in the core function although there are other logics in peripheral functions. At the institutional level, the power and structure of field actors influence centrality according to whether or not the field creates strong pressures to conform its organisation, (thereby determining whether organisations are fragmented or centralised in the field). At the organisation level, mission and strategy, and resource dependence, each influence centrality because they themselves embody logics. At the individual level, actors' adherence to logics, and their

relative power, influence centrality according to those actors' individual networks and positions, depending on whether or not the actors are able to incorporate the logics that the actors embody.

Besharov and Smith (2014) then define the quadrant with a dotted line and propose four ideal types of organisations; aligned, contested, estranged, and dominant organisations (see figure below).

Figure 1: Types of logic multiplicity within organisations (Besharov and Smith, 2014)



First, aligned organisations have high compatibility and high centrality where conflicts are minimal. This means that multiple logics cooperate and coexist in core functions of organisations, such as their missions, strategy, structure, and identity, mostly bringing about consistent expectations about organisational goals. This echoes what Goodrick and Reay (2011) refer to as a 'cooperative relationship among logics' (see 3.2.2.1). Multiple logics shape consistent organisational goals in core functions, cooperating with each other. In reference to constellations of logics theory, 'facilitative relationships' and

'additive relationships' as well as amplification (Greenwood et al., 2010) and hybrid logic (Thornton et al., 2005) are also located in this box. The early success of Japanisation is partially explained here (see 2.2). This type is elaborated further in chapter 6 of this thesis.

Second, contested organisations have low compatibility and high centrality where conflicts are extensive and intractable. This means that multiple logics compete with themselves in core functions of the organisations, such as their missions, strategy, structure and identity, so bringing competing assumptions and expectations about organisational goals. In reference to constellations of logics theory, 'competitive relationships among logics' (Goodrick and Reay, 2011; Reay and Hinings, 2009) and the concept of institutional complexity are located in this box (see 3.2.2.2). The work of Battilana and Dorado (2010) is also in this type. The studies about local resistance to Japanese management practices can be located here (see 2.4.2). This type is further discussed in chapter 7.

Third, estranged organisations have low compatibility and low centrality where conflicts are moderate, rather than extensive and intractable. This means that a single logic is dominant in the core functions of the organisations, yet there are also other competing logics in peripheral functions, meaning that effort must be devoted to mediating conflicts. This echoes the ceremonial aspects of 'two management structures' in that Japanese expatriates play a major role within organisational communities that bridge their headquarters and their subsidiaries (see 3.2.2.3). The boundaries of family logics limited to Japanese expatriates are clearly separated from local employees, although the local president and

managers are in communication with their headquarters (Kopp, 1999) (see 2.3.3). This is further illuminated in chapter 8.

Finally, dominant organisations have high compatibility and low centrality where conflicts do not arise. This structure is what traditional Japanese management studies have argued for; attributing the success of Japanese management to dominant organisations where family and other logics are harmoniously enacted without any conflict in Japanese management practices (e.g., Oliver and Wilkinson, 1988 and 1992; Elger and Smith, 1994 and 2005, Bhappu, 2000, Keys and Miller, 1984; Hatvany and Pucik, 1981) (see 2.3.1; 2.3.2). All these studies imply a single logic that is dominant in core functions of organisations and that also cooperates with other logics in peripheral operations.

These ideal types of organisations are useful to sort out constellations of logics in a comprehensive manner, yet they also provoke several concerns. First, the multiplicity of logics may even differ within subunits of organisations, as Besharov and Smith (2014) have already pointed out. This implies that each subunit could have different types of compatibility and centrality according to the functions of the subunit. Furthermore, as Besharov and Smith (2014) remind us, the line between the four types is depicted as a dashed lines rather than a solid one because “compatibility and centrality are continuous and that organisations can therefore exist between the ideal types” (ditto, p370). Thus these ideal types need to be used with caution.

3.4 The enactment of corporation, market, family and religion logics

This section aims to elaborate on what types of logics are possibly enacted

within Japanese MNCs through the constellations of logics. Drawing on Friedland and Thornton's arguments, it adds relational components of Japanese MNCs. From an institutional logics perspective, Japanese MNCs are corporations where the legitimacy of corporation logic, i.e. 'market position', is the top priority. Corporation logic concerns the 'market position of the firm' in order to 'increase size and diversification' (Thornton et al. 2012), and can impose overarching assumptions onto and within economic organisations such as Japanese MNCs in relation to the market and non-market logics. Important elements of the logics are selected: 'root metaphor', 'source of legitimacy', 'basis of norms/attention/strategy'. These elements reflect how interpersonal relationships are interpreted in practice within the corporation: root metaphor and legitimacy help to characterise the interpersonal relationship of individuals on organisational practices while norms/attention/strategy support or connect to organisational goals. The table below is a summary of selected elements of logics from Thornton and colleagues.

Table 1: The definition of institutional logics (Thornton et al., 2012)

Logics	Corporation	Market	Family	Religion
Root metaphor	Corporation as hierarchy	Transaction	Family as firm	Temple as bank
Source of legitimacy	Market position of firm	Share price	Unconditional loyalty	Importance of faith & sacredness
Basis of norms	Employment in firm	Self-interest	Membership in household	Membership in congregation
Basis of	Status in	Status in market	Status in	Relation to

attention	hierarchy		household	super natural
Basis of strategy	Increase size and diversification of firm	Increase efficiency profit	Increase family honour	Increase religious symbolism and natural events

This section is broken into four sub-sections. First, the ‘family’ logic is reviewed. Second, the corporation logic is considered. This is the overarching logic because a Japanese MNC is a corporation, ‘a legal institution’ in other words. Third, the market logic is reviewed, and finally, the religion logic is presented.

3.4.1 ‘Family’ logic: *Unconditional loyalty over self-interest*

‘Family’ logic concerns “community and the motivation of human activity by unconditional loyalty to its members and their reproductive needs” (Friedland and Alford, 1991, p248). In practice, it assumes “families attempt to convert all social relations into reciprocal and unconditional obligations oriented to the reproduction of ‘family’ members. Families are not infrequently threatened when market-based inequalities, universal bureaucratic rules or religious differences become the basis of affiliation, obligation or loyalty” (Friedland and Alford, 1991, P249). Following this characterisation, Thornton et al. (2012) add a series of elements which characterise each logic. For instance, ‘unconditional loyalty’ is its legitimacy, ‘membership in household’ is its norm, and ‘increase family honor’ its strategy. In contrast to the market logic, prioritising ‘self-interest’, the ‘family’ logic tends to prioritise family memberships over individual interests through its organisational performance and code of honour.

In research examining the 'family' logic within enterprises, 'family'-owned firms tend to be a typical manifestation of 'family' logic and assume the blood relations in terms of the ownership and governance structure. Thornton et al. (2012) insist that family-owned firms can often be tightly integrated such that interpersonal relations are based on 'unity of will, belief in trust and reciprocity'. Greenwood et al. (2011) specifically illustrate how 'family' logic operates in family-owned firms in Spain and how this mediates and restricts the pressure from the market logic. They argue that family-owned firms are less likely to impose layoffs than non-family owned firms, manifesting the 'family' logic against the market logic. Similarly, Chung and Luo (2008) also assume that the 'family' logic applies in family-owned firms in contrast to those owned by shareholders from foreign countries, and posit that this brings about distinctive forms of acquisition and restructuring. In general, the body of literature tends to assume that blood relations dictate the enactment of the 'family' logic in terms of the ownership and structure of such firms.

Nonetheless, the 'family' logic is not confined only to the ownership and structure but is often influential among interpersonal relationships within the firms. Edwards et al. (2006), for instance, propose a theoretical framework of how low-value added (LVA) firms are owned and run by 'family' operated businesses. The 'fraternal firm', in their words, allows workers' 'participation' whereby "workers' preferences are treated seriously and that workers are not treated as mere factors of production" (p712). This family-like relationship is manifested in the cooperative relationship between employees, suppliers, and customers, who mutually support each other. Supporting this, Miller et al. (2009)

argue for this cooperative relationship within 'family' businesses which eventually leads to a 'cohesive internal community' within the firms, bringing about deeper and more extensive connections with outside stakeholders. Their comparative research between 'family' businesses and non-'family' businesses in high tech industries reveals that 'family' firms have more motivation and loyalty, not just from their employees but also from outside stakeholders.

Likewise, the 'family' logic operating within Japanese MNCs, as in the family-owned firms, transposes meanings of 'family' norm among employees, suppliers and customers. For these organisations, 'family' logic is manifested not as a simple form of governance, like in family-owned firms, but as a way of management and of structuring interpersonal relationships, because a 'family' logic enable actors to share a common destiny (Kondo, 1990; Bhappu, 2000). This is not consistent with the parental altruism identified in Western 'family' firms, which refers to "a utility function that connects the welfare of one individual to that of others" (Karra et al., 2006, p863) rather than "a moral value that leads individuals to act in the interests of others without the expectations of reward or positive reinforcement in return" (ibid.). Instead, 'family' logic concerns 'family'-like relationships in the sense of how managers treat themselves as well as subordinates in the workplace. Here it prioritises collective effort, identity, and norms rather than individual effort, identity, and norms.

In fact, this Japanese version of the 'family' logic can be quite distinctive from that of the Western society. This is mainly because the logic used has come about not only in Japanese society but also in Japanese enterprises. According to Bhappu (2000), the concept of the 'family' is historically embedded in

merchants' families in Japanese society. Since the Edo Period in 17th century Japan, the concept of the 'family' has functioned as a social institution because "the '*ie*' is the material assets of the family, as well as its prestige, class, and ranking in society" (Bhappu, 2000, p410). This 'family' logic is assumed to be influential in Japanese MNCs as well as Japanese society. Furthermore, historically elaborating on 'family' logic and interpersonal relationships, Bhappu (2000, p413) gives a clear account of the 'family' in Japan:

Relationships between individuals are characterized by reciprocity and obligation rather than obedience, with emphasis placed on the equivalence of *ko* and *on*. The system of pay and promotion rewards seniority within the organizational hierarchy. Achievement is secondary to trust, in keeping with the tradition of the *ie*. Lifetime employment guarantees are extended to employees as *on* in exchange for the employees' subordination, *ko*, to the needs of the organization.

This articulation of the 'family' logic echoes a series of Japanese management practices oriented to harmony and collectivism (Elger and Smith, 2005). Furthermore, in the Japanese language, the concept of '*ko*' and '*on*' relationship is strongly implicated in the terms of '*Oyabun*' and '*Kobun*' (Ishino, 1953) and '*Ongaeshi*' which characterise interpersonal relationships. This '*ko*' and '*on*' relationship based on 'reciprocity and obligation' is shared with the Chinese

'family' norm 'Guanxi' (Chung and Hamilton, 2001). These practices are distinctive from those of the Western approach to management (Elger and Smith, 2005). Thus, the 'family' logic can be exemplified through harmony and collectivism oriented practices such as seniority, teamwork, long term employment, and sharing information.

In the foreign subsidiaries of Japanese MNCs, the 'family' logic may be quite different between the Asian and the Western regions. It may cause conflict and competitive relationships with other logics in the West, or may not operate at all, while it may take the form of cooperative relationships in Asia. In the Western regions, a 'family' refers to 'a utility function' (Karra et al., 2006), thus it may not coexist with the corporation, market and religion logics. Even if it does, the competitive relationships are expected to be identified. In contrast, the 'family' logic in Asia can enable reciprocity and obligation through the cooperative relationships, as in Japan. It may enable the corporation, market and religion logics to coexist.

3.4.2 Corporation logic: Organisational hierarchies for market position

Corporate logic originally stems from 'democracy', which Friedland and Alford (1991) assert as concerning "participation and the extension of popular control over humans" (Friedland and Alford, 1991, p248). In practice, it assumes that "parliaments and electoral institutions convert the most diverse issues into decisions that can be made either by majority vote or consensus among participants, and cannot directly recognize claims of authority based on technical expertise or class privilege" (p249). Later on, Thornton et al. (2004; 2012) extend

this democracy to 'corporation' logic. This is because they view democracy as a dependent variable of institutional orders of corporations, not institutional order itself. Rather, they argue that the corporation as 'a legal institution', an independent societal sector, has a democratic way of management within flat hierarchies. Thus, the corporation logic enables individual actors to acquire a dominant 'market position' as their legitimacy in order for individuals and organisations to raise their statuses in the hierarchy and increase the size of their firms. For Japanese MNCs, the corporation logic is an overarching assumption whereby "the person becomes an employee, which equates to being under the control of managers" (Thornton et al., 2012, p55). All the organisational practices and interpersonal relationships can be based on the corporation logic yet are not limited to it.

In the analysis of the corporations, attention was initially given less to the corporation than government organisations, schools, and other non-profit organisations, thus overlooking "the dominant organizational form: the publicly traded, for-profit corporation" (Suddaby et al., 2010, p1238). Instead, some literature discusses as part of institutional change a shift in logics between the profession and the corporation logic. Thornton et al. (2004; 2005), for instance, analyse public accounting in the US, a professional business service to corporations, and conclude that there is a shift from the profession logic to the corporation logic which led to more state regulation. The professional logic enabled accounting firms to sell the legitimacy of financial statements for public corporation. Accountants' job is to protect 'public trust' of their clients. Nonetheless, after World War II, a consolidation of accounting firms was

triggered by the action of the Federal Trade Commission which promoted competition and bidding among the accounting firms. Then, the corporation logic emerged to enable the accountants to sell additional services such as legal and management consultancy as 'a salesman', not 'an auditor'.

In Japanese MNCs, 'company as family' possibly manifests the tight link in the cooperative relationship between the corporation and 'family' logics because 'family' is 'hearth', "signifying people who belong to the same domestic group" (Kondo, 1990, p121). Generating corporations' profits is enhanced on the basis of reciprocal obligation among their 'family' members. Japanese management practices, such as seniority, manifest the corporation logic in relation to the 'family' logic. Nonetheless, the relationships among the logics need to be scrutinised in Asia and the West.

3.4.3 Market logic: Individual actors' self-interests

Market logic concerns the "accumulation and the commodification of human activity" (Friedland and Alford, 1991, p248). In practice, it assumes that "commodity producers attempt to convert all actions into the buying and selling of commodities that have a monetary price ... capitalist firms cannot exchange unpriced human activities that may be rational for an organization or useful to individuals" (Friedland and Alford, 1991, p249). Following this articulation, Thornton et al. (2004; 2012) explore this further: for them, 'share price' is its legitimacy, 'self-interest' is the basis of norms; 'status in market' is the basis of attention; 'increase economic efficiency' is basis of strategy. Based on the fundamental operation of corporation logic, market logic enables actors to

conduct exchange of their labour and its outcome, possibly manifesting itself in the contract of employment and job description which confirm the commercial nature of the job within the corporations. It is based on an exchange of employees' labour for their outcome, namely the salary they may get. Possible practices manifesting the market logic are an efficient organisational structure, roles and responsibilities, and performance appraisal and salary.

The current literature tends to argue for the market logic as parts of a shift of logics or competition among logics (e.g., Thornton and Ocasio, 1999; Thornton, 2002; Reay and Hinnings, 2005; Lounsbury, 2002; Greenwood et al., 2010). For example, Thornton and Ocasio (1999) described a shift from professional logic to market logic at the organisational level in the publishing industry in the US. Professions of editorial work were replaced by the market logic, enabling actors to pursue economic efficiency; profit over revenue. Focusing on the organisational level logics, this strand in the literature describes a shift from professional logic to market logic which enabled organisational actors to increase economic efficiency and grow revenue.

In Japanese MNCs, 'company as family' possibly manifests the cooperative relationship between the market and 'family' logics because 'family' members may be constituted in the company (Kondo, 1990). Nonetheless, the market logic in their foreign subsidiaries may be enacted very differently according to different geographical locations. In the West, the self-interest of independent individuals in respect to the market logic may generate a competitive relationship with 'family' logic, which prioritises collective responsibility and collective identities. In contrast, in Asia, it may generate a

cooperative relationship with the 'family' logic on the basis of the group orientation in Asian regions (Hofstede, 2010).

3.4.4 Religion logic: Each religious faith and worship

The religion logic as originally defined was based on Christianity. Friedland and Alford (1991) argued that "contemporary Christian religions attempt to convert all issues into expressions of absolute moral principles accepted voluntarily on faith and grounded in a particular cosmogony" (p249). Later on, Thornton et al. (2012) broadened this focus from the Christian religion, referring simply to the 'religion' logic, and seeking to extract the significance of religion in general. They add a root metaphor to the religion logic, 'temple as bank', which is legitimated by 'faith and sacredness in economy and society', although they do not clarify what the metaphor of 'temple as bank' really means. This approach implies the universality of institutional logic perspectives, but a universality that originates just from the analysis of Western society. As a critique of Thornton et al. (2012), Friedland (2012) questions the legitimacy of this religion with reference to the importance of value in logics, proposing that of religion as simply being 'God'. It seems that both authors assume that the religion logic primarily concerns Christianity in Western society. Notwithstanding this implicit assumption, Thornton et al. (2012) eventually turn institutional logic perspectives forged in *Western* society into a universal framework: a set of organizing principles which guide actions of actors anywhere. In Asian societies, for example, other religions such as Buddhism and Islam are dominant, and these possibly generate different effects from those of Christianity.

Granted, in empirical studies of institutional logic, the religion logic tends to be based on Christianity. For instance, Greenwood et al. (2010) demonstrate that the implicit effects of Catholicism are accompanied by the family logic through restricting the processes of family-owned firms in Spain. In their historical analysis of the restructuring small to medium-sized firms in Spain, they illustrate how family and regional state logics, implicitly affected by the regional Catholic Church, tempered the market logic. Looking more closely at individual actors, Thornton et al. (2012) give a good illustration of the religion logic in the case of Penney, a retailer in the US. The founder, Penney, attempted to instil the values of his religious ethics as a management philosophy named the Golden Rule. This rule viewed “managers and customers as the congregation – managers as associates and customers neighbours” (Thornton et al., 2012, p111). Regarding Christianity, there are two main forms, namely Protestantism and Catholicism. This can be the case in the classic literature of Max Weber, who wrote extensively on “The protestant ethic and the spirit of capitalism” (Weber, 2010). This does not elaborate on Protestantism *per se* but establishes an interplay of logics in terms of how a religion logic based on Protestantism enables actors to engage in a market logic based on capitalism. Accumulation of wealth and investment are considered as a sign of salvation in Protestantism. Similarly, Mutch (2009) claims that there is a complementary relationship between market and religion logics. Analysing the historical development of church governance in the Presbyterian Church of Scotland, he argues that practices of accountability and record keeping enforce theological beliefs among members, establishing a complementary relationship.

Thornton et al. (2012) realise that there is a 'cultural space' which serves to vary and disturb the effects of institutional logics, either inside or outside of Western society. They suspect that the cultural conditioning of the religion logics produced in, for example Islam, is quite unlike that of Protestantism, and may be in conflict with economic capitalism. It could also be argued, for instance, that Buddhism may or may not be in conflict with the concepts central to Christianity. It is imperative that when institutionalists refer to the religion logic or logics they identify the strand of logic concerned and clarify precisely the religion to which they are referring. Summarizing the wide variety of religions into one logic may lead to a simplistic view of religion.

In the studies of Japanese management, the Christian ethic cannot be said to apply. Rather, Confucianism alongside Buddhism and '*Shinto*' (Japanese ritual observances and sacred sites) are more likely to shape Japanese values (e.g., Kondo, 1990). Bhappu (2000) argues for recognition of the strong influence of Confucianism which has historically resided in the concept of family:

Whereas feudalism in Europe was based on the "rights and duties" defined by the relations of the lord and vassal, feudalism in China was based on the Confucian dominance-submission relations between the family patriarch and his family members. The feudal family system in Japan possessed some elements of the dominance-submission pattern found in China but also had features of the European rights and duties conception. Rights and duties in the Japanese family were learned and practiced as the concepts of *ko* and *on* - *ko* referring to

duty to parents and on referring to the reciprocal obligations between family members. (p410)

This Japanese version of Confucianism has been historically dominant and was also included in the Meiji Civic Code which marked a shift from the Samurai era to the Meiji Restoration. The educational policy of the code, The Imperial Rescript on Education, gave Confucian teachings the top priority as the historical assets of the Japanese Emperors, thereby raising the importance of Confucian values: respect for elders and parents and harmony within the social group. In modern management practices, this emphasises 'patience', 'the respect of elders', 'upholding the family' (Beechler and Bird, 1999), possibly replacing Christian faith and worship with one's relationship with one's surrounding people. It is doubtful, therefore, to assume that ethics represented by the Christian faith exist in the same way in the relational contexts where Confucianism is dominant.

Similarly, the tenets of Christian faith and worship may not be useful in contexts where Buddhism is dominant. This is simply because faith in Christianity is based on the existence of God but this is not the case in Buddhism. Buddhism does not have a concept of God as the world creator, but instead has 'karma' – the cause and effect relationship constituting the world. For instance, in Thailand, where Theravada Buddhism is dominant, Atmiyanandana and Lawler (2003) point out that:

Buddhists believe that karma (the sum of both good and bad deeds

one achieves during life) helps determine one's next life and most Thais seem concerned mainly with achieving a good 'next life' rather than the blissful state of nirvana... The centrality of Buddhism means that values associated with acquiring positive karma (merit), such as kindness towards others, particularly the less fortunate, has a strong influence on managerial behaviour: the ideal Thai leader is seen as more of a benevolent father than an autocrat. (p234)

In this sense, it may be fair to say that attention in Buddhism may be oriented more to surrounding people rather than God. Furthermore, Buddhism in general assumes an endless cycle of death and rebirth while Christianity a one-off cycle of birth and death, representing transition to an eternal life. This cultural space for the religion logic needs to be considered.

In the foreign subsidiaries in Japanese MNCs, the religion logic may exist very differently in Asia and the West, where there is a wide variety of religions. In Asia, the religion logic may generate cooperative relationships with other logics because of the dominant Buddhism and Confucianism. In contrast, in the West, this religion logic enables actors to see individuals express themselves within the collective rather than the individual (e.g., Hofstede, 2010). Similarly, another study points out the effects of the religion logic which flows from Buddhism and Confucianism (Dollinger, 1988) and their role in building the ethics of Japanese management. Japanese management practices, in fact, concern '*keiretsu*' (conglomerates), seniority, and long term employment, all based somewhat on collectivism. In the West, this may not be the case. In

Western society, Christianity in general is closely associated with individualism in terms of the relationship to God. Thus, the religion logic is deeply rooted in the geographical community of a host country compete and cooperate with other factors such as the 'family', corporation, and market logics at Japanese MNCs.

3.5 Conclusion

This chapter has presented a conceptual framework for studying practices across the subsidiaries of a Japanese MNC. As a point of departure, the institutional logic approach (Friedland and Alford, 1991; Thornton, (2004); Thornton et al., 2012) was reviewed. Constellations of logics (Goodrick and Reay, 2011) were further identified in order to characterise how practices in a Japanese MNC can be conducted and interpreted. These are composed of cooperative as well as competitive relationships among logics. The cooperative relationship implies a "win-win" of multiple logics while the competitive relationship implies the "victory" of one logic in exchange for the "defeat" of another. This also raises possible ceremonial aspects through the boundaries of logics because of the dominant Japanese organisational communities within Japanese MNCs. In addition, the relationality is considered in the constellations of logics because what makes logics cooperative as well as competitive is actors in their contexts in Asia and the West, in that logics are rooted in their 'geographical communities' (Lounsbury, 2007). Across the foreign subsidiaries of a Japanese MNC, geographical locations possibly affect constellations of logics in given practices. This implies that, in the subsidiaries of a Japanese MNC, actors interpret and act in various ways according to their relational contexts in

their host countries. Friedland and Alford (1991) raise the possibility that the relationality between actors in a Japanese MNC may be guided by different logics than those in the Western society where the institutional logics perspective was developed. This echoes the 'cultural space' in logics proposed by Thornton et al. (2012).

Recent concepts and frameworks further advance the theory of constellations of logics in different international contexts. At the individual level, negotiation among actors is elaborated as competing logics (McPherson and Sauder, 2013), illuminating three types of structural constraints: procedural, definitional and positional constraints. In each national context, different constellations of logics are illuminated (Värlander et al., 2016), providing a dynamic view of logics, national culture and practice. Furthermore, the types of constellations of logics can be defined into four ideal types of organisations with logic multiplicity using Besharov and Smith's (2014) compatibility and centrality framework. Compatibility refers to the extent to which multiple logics enable consistent organisational action while centrality refers to the extent to which multiple logics are equally treated and relevant to organisational functions. The two dimensions are expected to sort out the issues relating to agency, culture and practice in terms of the constellations of logics.

Given the constellations of logics, 'family', corporation, market and religion are identified and elaborated. In particular, non-market logics such as 'family' and religion are identified as areas of focus. The family logic is rooted in Japanese society where Japanese management practices are born and raised. The family logic in Japanese management does not depend upon whether or not

a company is owned by a family. Rather, it operates among the interpersonal relationships between management and employees, as reciprocal *ko on* relationships within a firm, characterizing the 'company as family' (Kondo, 1990). Lifetime employment, teamwork and consensus-orientation are closely associated with the family logic. The religion logic, in respect to Confucianism, is a secondary feature of Japanese management practices. Its priorities include respect for elders and this is echoed through a tendency for promotion by seniority. The market and corporation logics remain the overarching logics among Japanese MNCs and are fundamental to viewing their economic activities. These logics are targeted to characterise and interpret practices in a Japanese MNC. They are deeply rooted in geographical communities in the subsidiaries of Japanese MNCs.

In the next chapter, the research method is discussed and the characteristics of logics are further defined in actors conducting practices.

Chapter 4: Research Design and Method

4.1 Introduction

This chapter aims to identify the research design and justify the research methods in order to answer the research questions. It is organised into three sections: research design and methods. First, the research design is identified and elaborated. Second, the research method is specified and elaborated. In a concluding section, the need for a comparative ethnographic case study is justified and confirmed in line with the research methods.

4.2 Research design

This section aims to discuss and identify the research design. It is divided into three sub-sections. First, the ontology and epistemology of institutional logics are defined with practice theory. Second, the purpose and type of research are discussed. Finally, the cases are selected. The subsidiaries in 'JapanCo' are identified in Asia and the West, allowing an understanding of the subjectively created social world through constellations of logics.

4.2.1 Considering ontology and epistemology: Constellations of logics and practice theory

Constellations of logics comprise multiple logics in play as 'a set of material practices and symbolic constructions which constitutes its organizing principles' (Friedland and Alford, 1991, p248). They have been considered to be socially constructed from the views of earlier institutional researchers, such as Zucker

(1977) and Meyer and Rowan (1977). Berger and Luckman (1966) presume that what is to be 'rational' is socially constructed rather than existing independently 'out there'. Later on, other institutionalists, such as Zilber (2002; 2006), emphasised a social constructionist approach by stating the 'social becoming' of individual actors. Following this social constructionist tradition, Thornton et al. (2012, p10) assert that "[b]y material aspects of institutions, we refer to structures and practices; by symbolic aspects, we refer to ideation and meaning, recognizing that the symbolic and the material are intertwined and constitutive of one another." This type of constructionist approach does not help one to understand the cultural meanings of practices in depth, however, because it parallels a positivistic approach which aims to define institutional logics as a social reality 'out there' through pursuing objective 'social facts', such as quantitative analysis (e.g., Thornton 2004) and clear detailed definitions (e.g., Thornton et al., 2012).

As a serious attempt to understand how actors make sense of the social world within Japanese MNCs, interpretive epistemology is considered. This focuses on an understanding of how individual actors make sense of 'the world as it is', which is 'the subjectively created social world' (Burrell and Morgan, 1979, p28). From a basis in constructionist ontology, interpretive epistemology focuses on actors' subjective interpretations of practices and their shared intersubjective reality. Here, attention is given to an "interpretive understanding of social action' rather than social forces" external to it (Bryman and Bell, 2011), thereby allowing an understanding of the cultural meanings of practices.

Furthermore, 'practice theory' (Giddens, 1984) is combined with an

institutional logic approach, subsuming all the levels of analysis, such as individuals, organisations and society (Friedland and Alford, 1991) into a comprehensive concept of 'practices' as an "ongoing series of practical activities" (Giddens, 1976, p81). Giddens (1984, p2) further asserts that the concept "is neither the experiences of individual actor, nor any form of societal totality, social practices ordered through time and space". Here, practices are not conceived as a mere additional unit of analysis but as a micro-cosmos which is expected to reveal multiple logics in play through constellations of logics. In fact, Thornton et al. (2012), albeit presenting practice theory, still seem to conceive practices as mere 'tangible focal points' of logics, thereby assuming that the locus of practices can provide a mere link between social structures and individual and organisational actions. This view obviously retains a residue of positivism and objectivism in the institutional logic approach, and thus emphasises the significance of social structure over that of human agency.

Indeed, the combination between the institutional logics approach and practice theory is a newly emerging approach, now beginning to be labelled the 'practice turn' (Schatzki et al., 2001) and more lately, the 'practice bandwagon' (Corradi et al., 2010). Lawrence et al. (2011) further elaborated practices as 'both intentional and unintentional outcomes' in the 'everyday getting by of individuals'. Yet, much institutional logic literature, like the work of Thornton and colleagues, treats organisational fields and society as an objective reality which can be achieved through positivistic methods. Interpretive constructionism with practice theory is expected to illuminate the institutional life of a Japanese MNC regarding how individual actors make sense of practices through constellations

of logics.

4.2.2 Purpose and type of research: Comparative ethnographic case study

The purpose of this research is to understand cultural meanings of practices through constellations of logics across Asia and the West within a Japanese MNC. In order to understand cultural meanings in depth, a comparative ethnographic case study is adopted. Each of these terms, such as comparative, ethnographic, case is justified.

First, the research is a case study. Abercrombie et al. (2000, p41) define a case study as “the detailed examination of a single example of a class of phenomena”. Thomas (2004, p127) also asserts that “the case study aims for the intensive examination of one of a smaller number of instances of the units of interest”. This ‘detailed’ and ‘intensive’ examination of institutional complexity is central to the research. Furthermore, my research question concerning constellations of logics well suits the purpose of case studies as Yin (2003, p9) clarifies that “‘how’ and ‘why’ questions are more explanatory and likely to lead to the use of case studies ... as the preferred research strategies”.

Second, the research is also ‘ethnographic’ in the sense that it adopts ‘at home ethnography’ (Alvesson, 2009) to understand how actors make sense of practices in the subsidiaries of a Japanese MNC. Ethnography, in general, is referred to as the “intensive empirical investigation of everyday lived cultural reality” (Foley, 2002, p472). It investigates ‘people in places’ (Zussman, 2004) with a ‘thick description’ (Geertz, 1973). Here, ‘at home ethnography’ (Alvesson,

2009) refers to “a study and a text in which the researcher-author describes a cultural setting to which s/he has a ‘natural access’ and in which s/he is an active participant, more or less on equal terms with other participants” (p159). This is not a traditional ethnography which originally stemmed from anthropology. Yet, it is being applied to organisation studies and sociology.

Although ethnography appears well-suited to understanding cultural meanings through constellations of logics, it has several serious drawbacks in terms of the process of conducting research, such as “being time consuming, often personally tiring, and stressful to carry out” (Alvesson, 2009, p158). The period of a PhD is limited so does not allow multiple ethnographic studies across Asia and the West which would consume even more time. In fact, Alvesson criticises conventional ethnography as ‘uneconomical’. ‘At home ethnography’, which “draws attention to one’s own cultural context, what goes on around oneself rather than putting oneself and one’s experiences in the centre” (p160), helps to reveal what cultural meanings are embodied in a Japanese MNC. In a nutshell, it is more economical and practical than a conventional ethnography. Thus, the ‘at home ethnography’ method is adopted.

Finally, the research is also a comparative case study with emphasis on actors’ subjective interpretations. The thick description of a single case may be confined to the specific case and contexts, which may limit the validity of the research. Thus, it is critically important to compare and contrast cultural meanings of practices across Asia and the West. In a sense, a comparative case study is essential to make constellations of logics ‘open to interpretation’ (Voronov et al., 2013) across different geographical locations. This is rather

consistent with the interpretive approach which concerns how actors make sense of practices within a Japanese MNC; and how practices are being interpreted rests on different actors in Asia and the West. The study helps to reveal multiple complex cultural meanings by comparing and contrasting meanings themselves across Asia and the West.

Thus, a comparative ethnographic case study is adopted for the research which allows cultural meanings to be compared and contrasted through constellations of logics.

4.2.3 Selecting cases: A Japanese MNC and its the subsidiaries

My case selection is based on the large size of multinational Japanese manufacturers whose headquarters are located in Japan and whose overseas subsidiaries operate across multiple countries. The units of the cases are sales offices located across overseas regions, preferably North America, Asia and the EU. Candidate industries are automotive, equipment and industrial manufacturers.

Given these criteria, 'JapanCo', a pseudonym, is selected. JapanCo is actually one of the clients whom my father, as a management consultant and coach, has taught for more than two decades. As a son of his, as well as a management consultant, I often assisted him and took part in his seminars in corporate training programmes at JapanCo. In a sense, I am not a 'professional stranger' (Agar, 1986) since I have known some managers in this company for more than seven years. I am familiar with their management issues through interaction with my father and them. Some of them have known me more than a

decade since they often came to my home when I was young. With my father, I sometimes had dinners and lunches with them and advise them on management issues. As an 'at home ethnographer', I had a 'natural access' in JapanCo at the beginning of this research.

My identity in relation to others is confirmed according to participants' interpretations. A Japanese Managing director (MD) in JapanCo in Thailand (JTHAI) made use of me as a management consultant by requiring practical advice from me. Another Japanese MD in JapanCo Taiwan (JTAIW), albeit well-acquainted with me for more than seven years, treated me as an academic researcher. During the first interview on site, he seriously questioned whether JHQ had formally accepted my research or not. Another Japanese MD in JapanCo EU (JEU) asked me to make a presentation in front of top management in JapanCo's headquarters (JHQ) in order to deliver what the subsidiary actually look like. This tendency to perceive me more as a management consultant than a researcher needs to be paid attention to throughout the process of data collection and analysis.

JapanCo is a large industrial manufacturer in Japan with a revenue of about 200 billion Japanese Yen, which is equal to about 1.1 billion pounds sterling (one pound equal to 180 Yen). The number of employees is about 9,700 across JapanCo groups, including all the affiliates and overseas sales offices. It owns 12 major overseas sales offices across Asia, Europe and North America and overseas revenue consists around 10% of total JapanCo group revenue. Of these subsidiaries, four are selected for this study: they are Thailand, Taiwan, Belgium and the US. The selection criterion was to identify subsidiaries in

different regions which were initiated with greenfield investment, rather than through merger and acquisition. There are only two subsidiaries meeting these criteria in Western countries, namely Belgium and the US, so both of these are automatically selected. In Asia, there are varieties of Japanese ways of doing business in each subsidiary according to a pilot study in JHQ. In order to capture varieties, Thailand and Taiwan were selected. JTHAI (JapanCo Thailand) is managed in a very Japanese way while JTAIW (JapanCo Taiwan) is managed in a more Chinese way. Thus, the subsidiaries of JapanCo group in Asia, Europe and America are: JTHAI (JapanCo Thailand); JTAIW (JapanCo Taiwan); JEU (JapanCo Europe); JapanCo America (JUSA).

4.3 Research method

In line with this comparative ethnographic case study approach, this section aims to identify the specific research methods. It is divided into four sections. First, the stages of the research are presented. Second, the means of data collection are discussed. Third, data analysis and presentation are elaborated. Finally, validity is evaluated.

4.3.1 Six stages of research

This research is divided into six stages, although these are not mutually exclusive in a strict way because the data collection and analysis are conducted iteratively. Overall, the stages are as follows:

1st stage: Pilot study in the headquarters (Data collection and analysis)

2nd stage: Data analysis and literature review

3rd stage: Data collection and analysis in two cases (JTHAI and JTAIW)

4th stage: Data analysis and literature review

5th stage: Data collection and analysis in another two cases (JEU and JUSA)

6th stage: Data analysis and writing up

The 1st stage is a pilot study in the headquarters of JapanCo, which was conducted at the beginning of 2012. Corporate strategy and organisational culture were discussed with the main contacts and the subsidiaries were identified and the site visits arranged. Necessary materials, such as a corporate history book, PR magazines and IR materials were collected. Six interviews were conducted to confirm the existence of Japanese management practices and how they were employed.

The 2nd stage of data analysis and literature review was conducted in the middle of 2012. Given the information acquired, it was possible to identify that institutional theory could be useful to analyse the complex cultural meanings of practices within JapanCo.

The 3rd stage was data collection and analysis in Asia (JTHAI and JTAIW) from the middle of 2012. Semi-structured and open-ended interviews and participant observations were conducted. Forty-one interviews were conducted across various positions from top to bottom and two official meetings and two days of seminars were observed as a participant. In addition, lunches and dinners were taken together with organisational members. Details of the numbers of interviews, and the titles of the participants, are provided in the next

section.

The 4th stage was data analysis and literature review from the middle of 2012 to the middle of 2013. Content analysis was employed. The data was initially coded into three broad frames: the subsidiary's history, strategy and structure; views of Japanese expatriates; and views of local employees. Both sites were compared and contrasted in order to generate data as well as various cultural meanings of practices. Then, an institutional logic approach was employed in the data analysis through direct quotes of the meanings of the 'family', religion, market and corporation logics. This frame was later revised in practice because there were no coherent interpretations from Japanese and local employees.

The 5th stage was data collection in the other two cases (JEU and JUS), from the middle of 2013. Semi-structured and open-ended interviews and participant observations were again conducted. Thirty interviews were conducted across various positions from top to bottom and one official meeting was observed as a participant. In addition, lunches and dinners were taken with members of the organisations.

The 6th stage was data analysis and writing up. The code framework was revised and fixed as three broad categories of practices: customer development; work and employment; and work organisation. The four cases were compared and contrasted to illuminate the different cultural meanings embodied in practices. Additional observations were conducted in management meetings.

4.3.2 Data collection

4.3.2.1 Semi-structured and open-ended interviews

In order to understand cultural meanings through constellations of logics, semi-structured and open-ended interviews were adopted as the main data collection method. As an interviewer, it was necessary to be reflexive in asking questions freely about the meanings of multiple logics. This approach also alters the role of the interviewer from being a simple data collector to an active and reflective agent (Mason, 2002). The researcher is active in the sense of examining and actively interacting with the meaning of the topic in the interviews, and reflective in the sense of reflecting on the researchers' position and those of the participants. Semi-structured and open-ended interviews made it possible to interact with interviewees by asking various questions according to the comments of the respondents, while also reflecting on my role, such as being a consultant as well as an academic researcher, and a participant. This allows one to understand cultural meanings as part of the subjectively created social world.

Furthermore, semi-structured and open-ended interviews necessarily promote such self-reflexivity among research topics and help in the elaboration of constellations of logics as "the socially constructed, historical patterns" (Thornton and Ocasio, 1999, p804). Baker, 2004 (p131) assert that "the process of interviewing is better described not as data 'collection', but rather as data 'making' or data 'generation". This is also because "interviewing is understood as an interactional event in which members draw on their cultural knowledge ... and interview responses are treated as accounts more than reports" (Baker, 2004, p131). Thus, in the interviews, Japanese management practices and their

meanings are directly asked. The sample parts of the interview questions were as follows:

-Are there any Japaneseness or Japanese management practices here? If so, what are they, and how are they being employed?

-Are these practices being implemented and interpreted as in Japan? If so, how?

-Are there norms of family behind these practices? If so, what are they and how are they being interpreted?

These questions further help an interviewer to be flexible in asking various questions according to comments from the respondent. As Miller and Glassner (1997, p104) point out, "a strength of qualitative interviewing is precisely its capacity to access self-reflexivity among interview subjects, leading to the greater likelihood of the telling of collective stories."

Self-reflexivity is employed to prevent potentially distorting interview data. Thomas (2004: p151) specifies that "what matters is not that the same words are used, or that questions are presented in the same order, but that the questioner and questioned share the same frame of reference and understand the meanings of their communication in the same ways". An inconsistent frame of reference for both respondents and interviewers may potentially distort interview data. In this case, my experience as a management consultant in JapanCo was very helpful to understand cultural meanings in the specific context of JapanCo. Otherwise, the issue may be not only the frame of reference but also the order of questions and recent experiences. According to Bryman (2008), interviewers

have a series of questions in their frame of reference, but can vary the sequence of questions, and ask additional questions depending on the significance of replies. In a sense, this self-reflexivity is especially important for conducted across different geographical contexts where the first language of informants may be neither Japanese nor English.

The self-reflexivity is further employed in terms of the position of the researcher in relation to respondents. My identity from the respondents' perspectives could be either as a management consultant, who seems to have a link to management in the headquarters, or an academic researcher who just seeks to collect data for his thesis. On the one hand, as a management consultant, I was actually asked to advise how to manage local employees by the managing director in JTHAI. Likewise, I was also encouraged, as well as politically used by the president in JEU, to make a presentation regarding my findings in front of top management in JHQ, although I have not yet made this presentation or received a formal request to present it as of the day of the submission of this research. In some interviews with some participants, I found that my position as a consultant made the participants rather defensive in respect to my questions. On the other hand, as an academic researcher, I was treated simply as a PhD student who just wanted to pursue data for its academic interest, and thus was not really welcome in some interviews. In the beginning of an interview, a Japanese president was deeply sceptical about my site visit and directly asked me whether my research was formally accepted by JHQ. Therefore, the researcher's position and those of its respondents are constantly reflected.

Targeted interviewees were local employees and Japanese expatriates, with positions ranging from top executives to non-managerial employees. Since job titles varied for essentially the same functions, the table below provides a comparison of actual job titles and functions.

Table 2: Table of actual job titles and their functions

Functions	Actual job titles
Top management	Managing director (MD), president, director, vice president (VP)
Middle management	Manager, senior manager, assistant manager
Non managerial position	Sales, secretary, accountant, etc.

The main contacts in each subsidiary were all Japanese expatriates. The order of interviews was first the main contacts, usually Japanese top management, and then local employees. Interviews with Japanese expatriates included facts about subsidiaries as well as their interpretations and meanings. Interviews with local employees focused on specific practices according to the interviewees' position.

It should be noted that most of the interviewees are male and that this, to some extent, influences the research outcomes. During the interviews in each subsidiary, there were only a few female interviewees, meaning that some of the interviewees' responses are based on male oriented perspectives: interviewees' tendency to say 'salesmen' instead of 'saleswomen', 'my men' instead of 'my subordinates', and 'a father and his son' relationship. In particular, a family

relationship is often exemplified through the term 'a father and his son', not 'a mother and her daughter'. In the targeted four subsidiaries, all the presidents and MDs are male, with almost all the sales directors being male except for one female director in JTHAI. Upon reflection, out of the total interviews, around twelve interviewees are female, given the fact that there are a few female respondents in each subsidiary. They are, in general, sales assistants, secretaries, accountants, and managers in HRM and finance functions. In practice, these male dominated perspectives do not distort or change the research outcomes. Rather they are likely to represent the male oriented society in Japan (e.g., Kondo, 1990; Hofstede, 2010). In particular, the perspectives are supported by the work of Hofstede (2010) which argues for a high masculinity as a cultural dimension in Japan in comparison with that of other countries. Even some female informants especially in JTHAI and JTAIW characterise some managers as 'a father', not as 'a mother'. These, therefore, are supposed to show an actors' shared intersubjective reality.

In total, eighty-three interviews were conducted and transcribed into Japanese for the Japanese expatriates and into English for local employees. The length of the interviews was normally one hour or several hours at a maximum. A full list of interviews is provided in the appendix.

4.3.2.2 *Participant observation*

Participant observation was adopted as another data collection method. These terms are strongly associated with each other and thus are hard to distinguish itself from ethnography (Bryman and Bell, 2011). In fact, participant observation

goes beyond the simple act of observation. In the context of at home ethnography, participant observation is rather rephrased as 'observing participant' in the sense that the "participant comes first and is only occasionally complemented with observation in a research-focused sense" (Alvesson, 2009, p159). This is somewhat true because JapanCo is a corporation with which I have been familiar through my father's business, so participant observation is adopted. Furthermore, participant observation is helpful to avoid the possibility of distorting interview data by misunderstanding the surrounding contexts of the interviews. Hence, participant observation is discussed here as a means of data collection.

Participant observation occurs in both formal and informal settings: corporate seminars, regular meetings, and lunches and dinners. With my father's help, I luckily got the chance to attend and present in his corporate seminars in JTHAI. This took place over two days in Bangkok. Participants were sales directors and managers. Furthermore, during my stay at each subsidiary, I had lunches and dinners with participants every day. In a casual manner, I was requested to advise them about some managerial issues at each subsidiary. This complements the weaknesses discussed in interviews, reminding me of the surrounding contexts of the interviewees. It also helped to employ self-reflexivity between the topics and the researcher's positions. Thirty-one events were observed. A full list of events for participant observation is provided in the appendix.

4.3.2.3 *Documents*

As a supplementary method of data collection, public and some internal documents were used. These mainly support an understanding of the surrounding contexts of constellations of logics in each subsidiary, rather than the constellations of logics themselves. The main documents used were public documents, such as investor relationship reports and presentations. Another document was a book called '100 years of the history of JapanCo', which describes the whole history of the company from its foundation up to 2012 in 549 pages. Another document was country presentations, being made for reporting to JHQ from the subsidiaries. Others were internal documents regarding corporate strategy and marketing in each subsidiary, internal 'JapanCo group PR magazine', and a published book by a former CEO of JapanCo, 'OldJapanCo strategic management'. A full list of documents is given in the appendix.

4.3.3 *Data analysis and presentation*

As an ethnographer, from the beginning of data collection, I started to analyse data by observing, interviewing, advising, and recording events. Put differently, all events are apparently interpretive opportunities to understand cultural meanings through constellations of logics. My presupposed knowledge about JapanCo and Japanese management practices, which I acquired from interaction with organisational members and my father, as well as through my professional career, greatly influenced what data was selected and interpreted. Given my focus on cultural meanings of practices, this might influence what I

saw and failed to see, meaning that some events might be inappropriately selected over others. An event without apparent conflict or cooperation between cultural meanings might have unintentionally less attention paid to it. This contrasts the way of grounded theory, which assumes that data 'stands alone' before the data analysis.

A large quantity of textual data from interviews and formal transcribed meetings was coded by broad categories of practices. CAQDAS (Computer aided qualitative data analysis software) was initially considered but later dismissed as a data analysis tool because the interviews were conducted in two languages, Japanese and English. Besides, the use of a software tool may serve to alienate the researcher from the lived reality, possibly weakening the merits of comparative ethnographic case study (e.g., Kelle, 2004). All the data was therefore manually and iteratively analysed and connected and disconnected to constellations of logics where multiple institutional logics manifest as 'motives and vocabularies' of institutional logics and their cultural meanings.

From the beginning of this research, the coding framework evolved continuously. In the 1st stage of the research when the pilot study in JHQ was conducted, coding was done in broad categories for each subsidiary: its history, strategy and structure; its sales activities; actions of Japanese expatriates; and reactions of local employees. This was because the subjectively created world might be expected to be coherent at some degree within each group of Japanese expatriates and of local employees. In the 2nd stage of the research where data analysis and literature review were conducted, the concept of 'family' emerged in relation to Japanese management practices, such as cooperation,

team work, and life time employment. From the current literature explaining conflicts between Japanese expatriates and local employees (e.g., Elger and Smith, 1994 and 2005; Kopp, 1999), actions and interpretations of both actors were expected to be distinctive and central to data analysis. Then, in the 3rd stage of this research where data was collected on the first two subsidiaries, JTHAI and JTAIW, a coding was considered on the basis of how the concept of 'family' is interpreted by both groups of actors: Japanese and locals. In the 4th stage of the research, given the data analysis of JTHAI and JTAIW and the further literature review on Japanese management practices and institutional theory, the norm of 'family', although varying, was assumed to remain. Then, a coding framework was putatively established with four themes: a subsidiary's history, strategy, and structure; its sales activities, and the views of both Japanese and locals. The first two themes are more factual and based on actors' actions while the second is more based on actors' interpretations, although this distinction is not clear cut (see the table 3).

Table 3: Initial coding framework (in Thailand and Taiwan)

Themes	Codes	Contents of codes
Its history, strategy, and structure	<ul style="list-style-type: none"> - Relation to Japanese customers - Sales and marketing strategy - Organisational structure 	<ul style="list-style-type: none"> - Actions against Japanese customers locally - Descriptions of customer development - Descriptions of organisational structures
Its sales activities	<ul style="list-style-type: none"> - Pressure from JHQ - Two management structures - Roles of Japanese expatriates - Artefacts and workplace layout 	<ul style="list-style-type: none"> - Actions and directions from JHQ: - Descriptions of two groups: Japanese and locals - Descriptions of roles of Japanese expatriates - Descriptions of office layout and its artefacts
Views of Japanese expatriates	<ul style="list-style-type: none"> - Interests and identities - Sales pressures from JHQ - Teamwork as family work - Norms and social manner - Their frustrations and irritations 	<ul style="list-style-type: none"> - Interpretations of their interests and identities - Interpretations of JHQ's directions - Interpretations of teamwork and the term of family - Interpretations of norms and social manner - Interpretations of their sales and other activities
Views of local employees	<ul style="list-style-type: none"> - Interests and identities - Acceptance or rejection of teamwork - Team as family or something else - Compromise and resistance - Religious aspects 	<ul style="list-style-type: none"> - Interpretations of their interests and identities - Interpretations of Japanese management practices - Interpretations of teamwork and the term of family - Interpretations of their sales and other activities - Interpretations of their religion

In the 5th and 6th stage of the research where data collection and analysis of JEU and JUSA were undertaken, this framework was found to be inadequate in relation to the purpose of the research. The concept of 'family', as initially assumed, turned out to be little observed among the local employees, in contrast to the situation at JTHAI and JTAIW. In addition, the actions and interpretations of Japanese and locals were found to be quite complex with no clear cut distinction between Japanese and locals, indeed with variations even between and within them. Furthermore, two external organisations which greatly affect the existence of Japanese management practices were identified: customers locally and JHQ (the headquarters). In addition, 'practice theory' (Giddens, 1984) was identified as a means to subsume actors' actions and interpretations at all the levels of analysis (individuals, organisations and society) (Friedland and Alford, 1991), although the practices are not conducted equally across the subsidiaries. These practices are driven by three forces: that of JHQ, of customers, and of a president in each subsidiary. Thus, three categories were identified to include broad practices in the coding framework: customer development, work and employment, and work organisation. The practices in customer development were influenced by and derived from customers locally, while those of the work organisation were influenced by JHQ, and those of work and employment by the upper management levels in each subsidiary, without direct influence from customers and JHQ (see table 4 below).

Table 4: Final coding framework

Themes	Codes	Contents of code
Customer development	<ul style="list-style-type: none"> - Study group - On-the-job training - Sales follow-up 	<ul style="list-style-type: none"> - Weekly study group for salesmen to understand products - Any training, advice, and even social events - Contacting, proposal, negotiating with customers .
Work and employment	<ul style="list-style-type: none"> - Job delegation - Performance appraisal - Socialisation 	<ul style="list-style-type: none"> - Delegating, monitoring, and evaluating - Sales incentives, promotion, and evaluation, seniority for wage, etc. - Social events, such as dinner, lunch, party, company trip, etc.
Work organisation	<ul style="list-style-type: none"> - Communicating expatriate evaluation with JHQ - Communicating business results with JHQ - Communicating locals' complaints with JHQ 	<ul style="list-style-type: none"> - Japanese evaluation for Japanese and local evaluation for locals - Quarterly review and business update to JHQ by Japanese and the local - Locals overhead complaints to JHQ -

Finally, in each of the empirical chapters 6, 7, and 8, meaningful practices are selected to illustrate constellations of logics and their coding in a vivid manner.

One problem I encountered in the interviews is the interpretation of the terms used due to the fact that the interviewees' frame of reference differed from mine. Normally, I started by asking interviewees what Japaneseness exists and why they are Japanese. This expects me to elaborate practices manifesting the 'family' logic in their frame of reference. In the actual interviews, however, I was instead sometimes asked by the interviewees what Japaneseness is in my interpretation. In that case, I had to start to share my understanding of Japanese management practices, which are highly likely to manifest the 'family' logic through collectivism, teamwork, organisational harmony, and intensive socialisation. Bell and Willmott (2014) mention that this can be an issue related to 'action frame of reference' as Silverman (1970) reminds us that "people act in terms of their own and not the observer's definition of the situation" (p37). Thus, continuously employing self-reflexivity, I tried to continue to build a consistent frame of reference between interviewees and myself during the interviews. At the last stage of writing up the research, through data analysis, the detailed definitions of the logics embodied by the practices were finally identified in tables (see 6.1).

Data is presented as a result of interactions with my supervisors, colleagues, and conference attendances. Granted, I collected data and brought my own findings to them but translated them into their presentation in this thesis in the light, primarily, of feedback from my supervisors. This eventually conditioned how my findings are presented. Initially, my research was planned to

be Japanese management studies adopting institutional logics. As my research went through constant feedback from my supervisors, the cultural meanings of the Japanese management practices turned out to be main focus. In particular, the work of Kondo (1990) was studied at a Cardiff Organisation Research Group (CORGies) meeting on the 29th January 2014, and this greatly influencing my studies in terms of understanding how actors make sense of practices, rather than simply explaining what makes the practices.

4.3.4 Evaluating validity

Based on positivism, quantitative research is traditionally evaluated by the criteria of validity, reliability and generalisability (Silverman, 2006). These criteria cannot be used for an ethnographic account which provides a thick description of how actors make sense of practices, however. As an alternative, the concept of 'trustworthiness' is adopted. According to Lincoln and Guba (1985), this includes four components: credibility, transferability, dependability and confirmability. First, credibility concerns a 'fit' between the researcher's description and participants' views. Adopting the frame of reference of the participants, a good fit is pursued in order to match what the researcher sees with what the participants really think and believe. The credibility is enhanced, however, by spending time with participants and by loosely obtaining various pictures through participation, observation and interviews, both at formal and informal occasions. In this regard I have known some of informants for more than seven years through my father.

Second, transferability addresses how the research findings can be

transferred to another case, rather than universally generalised. The research aims not to provide a correct interpretation confined to this case only but an interpretation that is 'good enough' to be possibly utilised on another case. This is akin to what Geertz (1973) calls a 'thick description': an account rich with detailed cultural meaning that "provides others with what they refer to as a database for making judgements about the possible transferability of findings to other milieu" (Bryman and Bell, 2011, p398). Furthermore, conducting four ethnographic cases, rather a single one, is crucial in this regard because it allows the essential findings to be extracted and compared and contrasted between the cases. This rich set of findings and accounts gives the potential for transferability to another case.

Third, dependability refers to how well the research is documented and 'traceable', rather than replicable. In addition to almost all the interviews and formal meetings, even casual conversations at some dinners and lunches were recorded and transcribed. A short memo was written in each case, developing my analysis. Collected data were constantly coded.

Finally, confirmability indicates the tight link between data and analyses. With constant analysis through data collection, the data and codes were attempted to be constantly connected so that the themes emerge and refer back to particular practices from the data again. This helps researchers to conduct their research in 'good faith'.

This 'trustworthiness' echoes the transactional validity in qualitative research which is defined by Cho and Trent (2006, p321) "as an interactive process between the researcher, the researched, and the collected data that is

aimed at achieving a relatively higher level of accuracy and consensus by means of revisiting facts, feelings, experiences, and values or beliefs collected and interpreted". In this research, the transactional validity is expected to help to evaluate whether the key findings can be significant and useful for the audience of the research, not only for academic researchers, like institutionalists and Japanese management scholars, but also for managers who work at or deal with Japanese MNCs. It is also expected to examine whether the participants' experiences and interpretations can be meaningful representations within a Japanese MNC.

4.4 Conclusion

This chapter aimed to identify the research design and justify the research methods in order to answer the research questions. The purpose of the research is to understand the cultural meanings of practices through constellations of logics. Comparative ethnographic case study is selected as the main type of research. This is comparative across not only Asia but also the West, where constellations of logics were originally identified and theorised. It also is ethnographic since at home ethnography is adopted. It is quite important to have 'natural access' to the research target, a Japanese MNC, rather than being 'a professional stranger'. Through my natural settings, JapanCo was selected as a case. The interpretation of data went hand-in-hand with the data collection right up to the end of the writing of the thesis. Through this iterative process of interpretation, self-reflexivity is promoted and utilised, and the researcher examined and interacted with the meanings of the topic not as 'a neutral data

collector' but as an 'active and reflective' agent (Mason, 2002).

Furthermore, in line with the comparative ethnographic case study approach, reliability, validity and generalisability are rejected because they are less relevant to ethnographic study. Instead, 'trustworthiness' (Lincoln and Guba, 1985) is adopted. Four components of trustworthiness are considered: credibility, transferability, dependability and confirmability bearing in mind the primary concern of whether the participants' experiences and interpretations can be meaningful representations within a Japanese MNC.

In the next chapter, the selected case, JapanCo is introduced. This is a Japanese MNC that is actively internationalising its businesses. Its history, strategy and structure, and its subsidiaries in Asia and the West, are presented.

Chapter 5: Comparative Ethnographic Case Study: JapanCo

5.1 Introduction

This chapter aims to provide the relevant background for interpreting the remaining empirical chapters. Moreover, particular empirical facts have been identified and further selected according to their relevance to the idea of the 'family', religion, market, and corporation logics. This chapter is divided into three sections. Firstly, a corporate overview is provided, including the historical development of the company, its strategy and structure, and the ways of managing its subsidiaries. In the second section, the influence of the corporate historical development on each subsidiary, namely JTHAI, JUSA, and JEU, and JTAIW, is discussed. The concluding section summarises the whole chapter. It is found that, with the alliance partner, AmericaCo, JapanCo is characterised as a unique and atypical Japanese corporation, possibly causing complex cultural meanings in practices through varied constellations of logics.

5.2 JapanCo group: Corporate overview

5.2.1 History with AmericaCo

At the time of the research (2012), JapanCo had been an industrial manufacturing business in Japan for 107 years. It is an industrial products manufacturer, the headquarters of which are also based in Japan. The company's revenue in 2012 reached around 200 billion Japanese Yen, which had been stable for the preceding five years, despite the fact that its major market in Japan is gradually shrinking. JapanCo's business domain is industrial products, primarily for buildings and industrial plants, in the company's own

words, the “automation business”. Its slogan is “human-centered automation” and the company aims to bring the benefits of automated processes in buildings and plants closer to people. In its corporate philosophy, it has four core values: safety, comfort, fulfilment and making a contribution to global environmental preservation; it pursues these values through “human-centered automation”.

At first, OldJapanCo was founded in 1907 as a family business and later became a corporation under the son of the founder. According to a book entitled “OldJapanCo”, the original name of the current JapanCo, the company was established by its founder, described here under the pseudonym “Takahiro Tanaka”, as a family business. It started as a trading business, importing industrial products from the US for military use. However, in 1934, given the increasing domestic demand for military products in World War II, the founder decided to change the company from a trading business to a manufacturing one. The company then assembled imported industrial products and sold them to the Japanese government. Because of this, in 1945, ‘*Takahiro Tanaka*’ was succeeded by his son, ‘*Toshihiro*’, to avoid being accused of being a war criminal.

A significant change came about in 1953 when ‘*Toshihiko Tanaka*’ built a strategic alliance with an equity alliance partner, AmericaCo. He had studied in New England in the US and understood the Anglo-Saxon culture, making it easier for both companies to establish an alliance and, as a result, AmericaCo bought 50% of JapanCo’s shares. In this way, the roles of both players were explicitly defined: JapanCo was responsible for developing the Japanese market with the products of both companies, while AmericaCo was responsible for the

overseas markets selling the products of JapanCo. The alliance was therefore on an equal footing for both players, and there were normally only 4-5 expatriates from AmericaCo, one of whom was appointed as vice-president of JapanCo. This relationship with AmericaCo lasted from 1953 up until 1990, when it was dissolved.

Despite the equal partnership, JapanCo had been extremely reliant on AmericaCo in terms of its international product design and development, as well as its overseas sales. AmericaCo provided the know-how to develop overseas markets and industrial product developments, this manifesting the market logic. One example of this can be seen when it transferred a product launch method, known as a Life Cycle Control (LCC), which managed the product launch process in four phases: idea initiation, planning, design and the sales phase. At the end of a particular phase, each result and performance was intended to be evaluated using a Profitability Index value (PI value) to examine whether an investment was acceptable or not from the view point of the shareholders. A PI value indicates whether a given project can generate profits within three years. This therefore enacts the market logic, where the return and investment are prioritised for the shareholders.

This international business development with AmericaCo makes JapanCo a somewhat unique and atypical Japanese corporation different from other Japanese MNCs, which in general undertake international expansion on their own. A book published in 1990 written by the former president of the JapanCo group and entitled "OldJapanCo strategic management", represents how unique it was at that time. The book indicates how the management

methods of AmericaCo were adopted in JapanCo, and how management issues were tackled and defined. Profiles of JapanCo and AmericaCo, and their history are provided below.

Table 5: Profiles of JapanCo and AmericaCo

Items	JapanCo group	AmericaCo group
Revenue (2012)	2 billion JPY	36 billion USD
Ratio of overseas revenue	<=10%	55%
# of employees	9,700	132,000
# of overseas offices	12	50 (estimated)
Ownership	Japanese institutional investors	Owned 50% of JapanCo, but sold it
Length of operation	107 years	120 years
Type of business	Automation(A), Building(B), and other in-house companies	-
Ratio of local customers	100%	-

Table 6: The history of JapanCo

Year	Events of JapanCo
1907	Incorporated OldJapanCo in Tokyo
1934	Started to assemble and manufacture industrial products

1953	Formed a technical alliance with AmericaCo to receive technical support
1954	Formed an equity alliance with AmericaCo (50% share owned by AmericaCo) (board members, joint product design)
1957	Renamed OldJapanAmericaCo and developed overseas business with AmericaCo
1991	Reduced stake of AmericaCo to 25% (AmericaCo restructuring)

1991-	Built overseas subsidiaries in Thailand, Taiwan, US, EU & elsewhere
1999	Assumed original name of OldJapanCo
2003	Bought back all shares from AmericaCo
2004	Merged affiliates, adopted an in-house company (consolidating all subsidiaries in Japan in JapanCo)
2006	Renewed its philosophy and symbol of “automation and building”
2012	Renamed JapanCo

From 1991 to 2012, JapanCo began to develop an international business of its own following the dissolution of the alliance with AmericaCo. In this period, the alliance was becoming useless; conflicts had arisen between both companies because AmericaCo wanted to access the growing Asian market, which was originally the territory of JapanCo. Additionally, AmericaCo was facing difficulties and restructuring its businesses because of losses to its main business. In 1992, an internal document in JapanCo indicated that “it [was] high time for JapanCo to stand on its own feet in international business independently from AmericaCo”. In 2003, JapanCo bought back all the equity from AmericaCo and dissolved the alliances. Since the 1990s, JapanCo has established a series of overseas sales offices in Asia.

From the point of view of JapanCo, AmericaCo was seen as the father in a 'family', having cared for and trained JapanCo. Some directors of JapanCo characterised AmericaCo as "the teacher", "the big brother", and "the master" who educated JapanCo as "an inexperienced child" about how to do international business. An experienced director commenting on an internal newsletter of JapanCo stated in the anniversary book, 'JapanCo's 100 year history' that after ending the alliance "we then really got to know how much we had been dependent on the capabilities and resources of AmericaCo to develop overseas markets ... we now [became] unskilled and [had] scarce resources to develop these overseas markets".

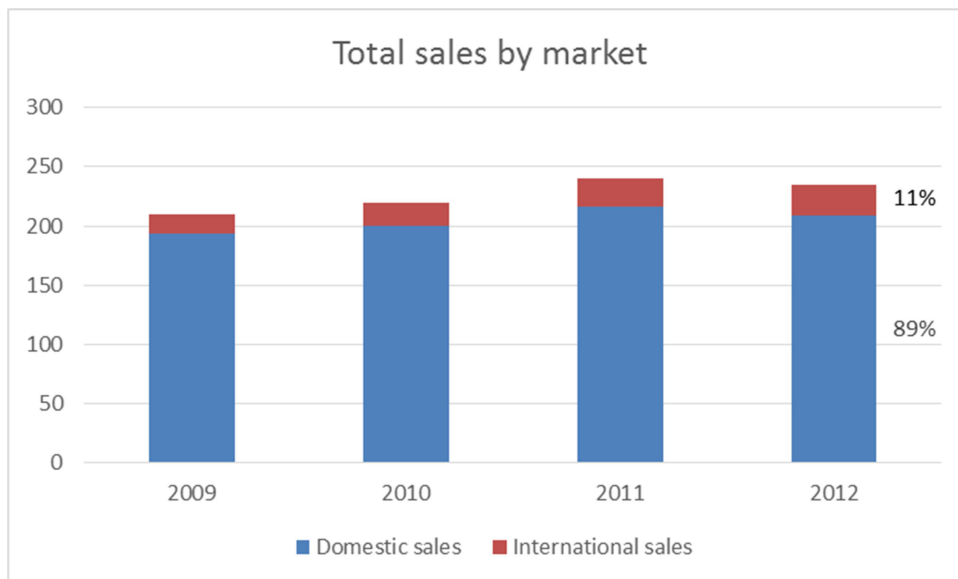
In 2004, JapanCo consolidated all the domestic affiliates of its building system and factory automation businesses into one single company and adopted a divisional company organisation system, namely, the Advanced Automation Company (AA), the Building Automation Company (AB), and one other.

5.2.2 International business development

5.2.2.1 Corporate strategy

JapanCo's mid-term strategy is to internationalise its business. It also wants to expand its overseas revenue to comprise 30% of total revenue by 2016 from a current position of 11% of the total revenue in 2012. Thus, it is at a relatively early stage of internationalisation.

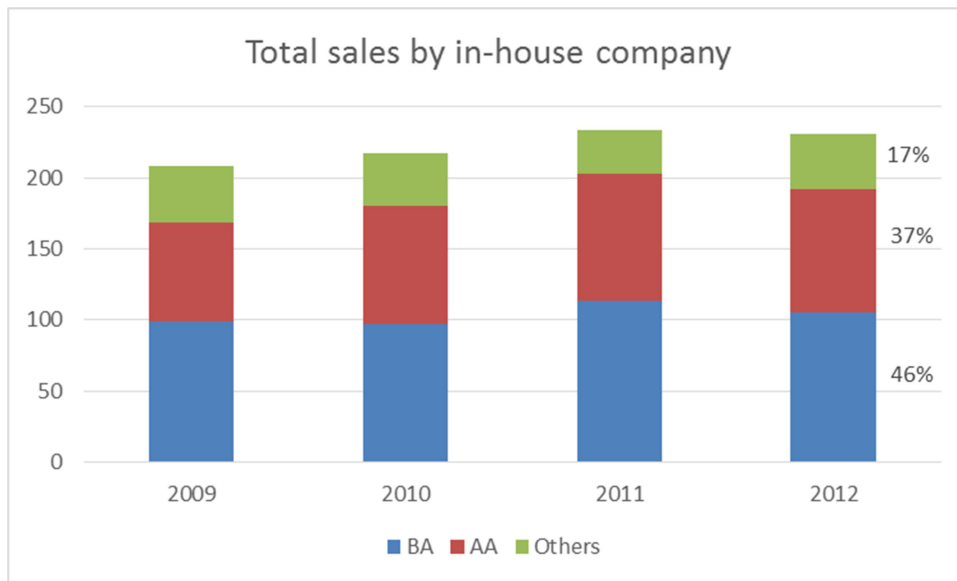
Figure 2: Total sales by domestic and international market (billion JPY)



JapanCo adopted a complicated divisional system, controlling each company division as an independent business unit accountable for their own profits and losses as well as their investments. There are two company divisions: Advanced Automation (AA) and Building Automation (BA). The revenue of both companies is close to around 100 billion Japanese Yen; AA's business used to be a major source of business which followed that of AmericaCo; BA's business, for its part, was essentially small but, after the acquisition of a domestic building system company, has recently grown, and now has 46% of the total sales (while AA has 37%). AA's business focuses on the factory automation market; its products are sensors, switches, air-conditioning systems and valves. This is largely attributed to the influence of AmericaCo's business. In contrast, BA's area of business focuses on the construction industry with products such as air conditioning systems and security products for buildings. This stems from mergers with and

the acquisitions of local manufacturers in Japan, thus limiting the influence of AmericaCo's business.

Figure 3: Total sales by in-house company (billion JPY)



In order to achieve the strategic goal of overseas profits comprising 30% of total revenue, the company has three management initiatives according to the 2012 investor relations report of JapanCo group, as set out below:

1. To be a long-term partner for both the customer and the community in three business areas (building automation, advanced automation and the life automation business) using the company's technology and products in order to provide solutions through the pursuit of human-centred automation.
2. To further the company's worldwide growth by expanding into new areas and making qualitative changes.
3. To strengthen the company's organisation and to never stop learning in order to fully achieve the first two objectives.

Item 2 is concerned with the internationalisation of the businesses; given the shrinking domestic market in Japan, international expansion is necessary. This goal is accepted by the shareholders, and the company is struggling to boost overseas revenue since not all the company's subsidiaries have localised their businesses and employees. Interviewees frequently mention the topic of "localisation", meaning the whole process whereby local employees are hired, and trained, with a local president being appointed in each subsidiary so that JHQ can delegate its authority to the local management. Although this has not been formally announced as a corporate policy, it is positively promoted and enhanced.

According to the 2012 investor relations report, the current philosophy was based on organisational change undertaken in 2006 when the former CEO was appointed. At that time, the company's symbol and philosophy were revised: the term "JapanCo" was added to OldJapanCo with a new corporate symbol and the philosophy was revised with the slogan "human-centered automation". This means that technologies and products of JapanCo provide new value not merely for the sake of automation itself but for the benefit of people. The new philosophy has four core values, which guide the action of JapanCo, namely safety, comfort, fulfilment, and making a contribution to global environmental preservation. Here is part of the corporate philosophy:

Under 'JapanCo', the Group strives to realize safety, comfort and fulfillment in people's lives and contribute to global environment[al] preservation through "human-centered automation." To realize this,

* We create value together with customers at their site.

- * We pursue our unique value based on the idea of [being] “human-centered.”
- * We think towards the future and act progressively.

These values are created by providing product lines for building and automation companies.

Although it is more than a decade since the dissolution of the alliance, the strong influence of AmericaCo remains. Given the high dependency on AmericaCo, a Japanese VP in JUSA described how JapanCo had a highly conservative culture which did not encourage its employees to develop business themselves. He pointed out how “[JapanCo] [had] never created [a] market on its own... the alliance of AmericaCo markets were already there and it [JapanCo] provided mass produced products due to the demand of AmericaCo”. The great dependency on AmericaCo in the past in terms of international sales and marketing implicitly constrained the business development of JapanCo. This therefore greatly influences the constellations of logics across the subsidiaries because of their relevance to AmericaCo.

5.2.2.2 *Overseas subsidiaries management*

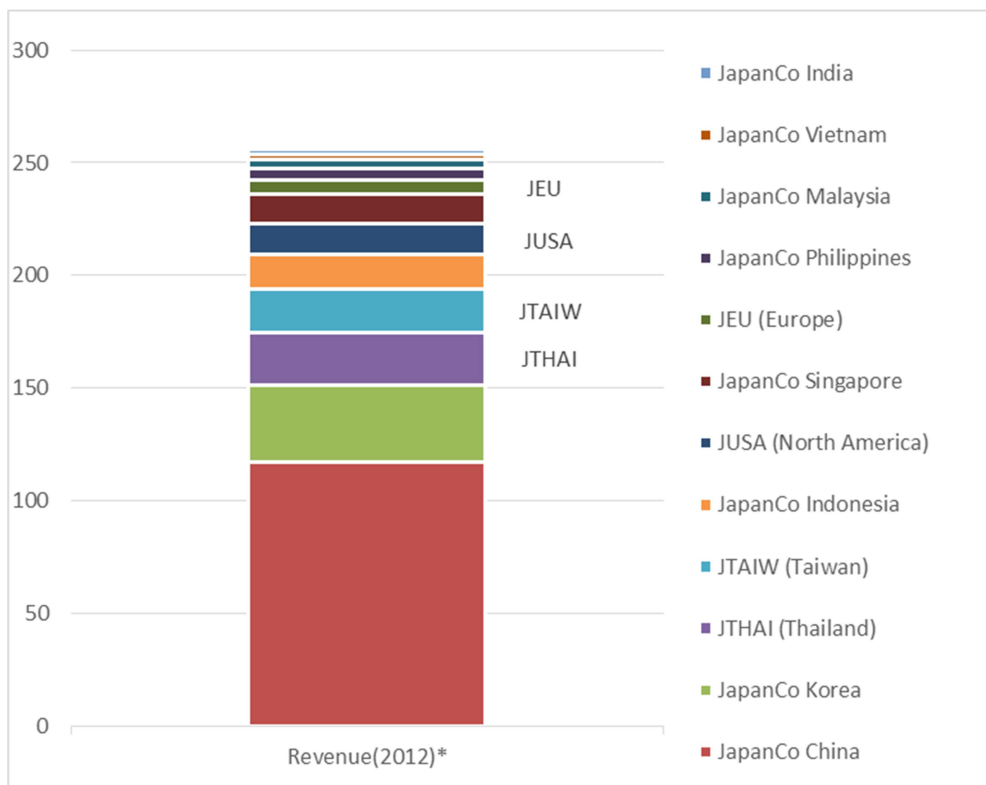
In total, there are twelve overseas subsidiaries in JapanCo. Most subsidiaries are in the Asian region and only two are outside this area, these being located in Europe (EU) and the Americas. The largest revenue within the subsidiaries comes from China, where there is a joint venture business with a Chinese manufacturer. Here, the functions are sales, marketing and manufacturing. JTHAI and JTAIW are similar in terms of their sizes and areas of business although both have a different customer base. JTHAI has most of its customers

in Japan while JTAIW has local customers. The profiles of all of the subsidiaries are provided below.

Table 7: Profiles of all the subsidiaries (100 million JPY)

	JapanCo China	JapanCo Korea	JTHAI (Thailand)	JTAIW (Taiwan)	JapanCo Indonesia	JUSA (North America)	JapanCo Singapore	JEU (Europe)	JapanCo Philippines	JapanCo Malaysia	JapanCo Vietnam	JapanCo India
Revenue(2011)*	100	30	17	18	12	14	11	8	3	5	2	0
Revenue(2012)*	117	34	24	19	15	14	13	7	5	4	2	2
# of employees**	793	107	136	80	91	77	62	12	49	68	37	22
% of revenue by Japanese customers***	30%	10%	80%	30%	10%	15%	10%	0%	20%	20%	30%	30%

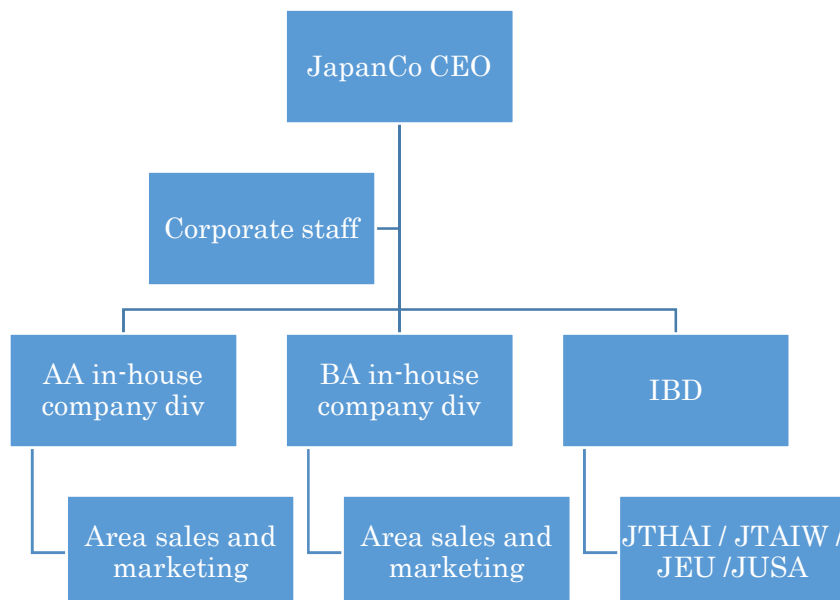
Figure 4: Sales volume by subsidiaries (million JPY)



To manage the overseas subsidiaries, the International Business Development (IBD) department was formed. This department has around five members of staff,

and mainly coordinates financial “numbers” rather than formulating and managing business strategies. IBD does not have the authority to manage its businesses but in-house companies do have the authority to manage their business in the overseas subsidiaries. Here, in-house companies in JHQ have the central authority to set up and manage sales goals, to control the staffing of Japanese expatriates in overseas subsidiaries as well as product pricing, product development and marketing on a global scale. Thus, the in-house company system influences the sales goal-setting process enormously. Under each company, there are sales and marketing departments divided by region which support the subsidiaries. The organisational chart is attached below.

Figure 5: The organisational chart of JapanCo



All the subsidiaries, except for JUSA, are highly dependent on the management resources of JapanCo's headquarters (JHQ) in Japan. This is because almost all the corporate functions of AA and BA are centralised in JHQ. These functions constitute production, research and development, the global marketing strategy, service and maintenance, while the overseas subsidiaries largely function as sales offices with service functions. There is one exception to this, however, since JUSA has a manufacturing function and maintains a small factory (it also acquired a local gas meter manufacturer in 2012). JHQ adopted an in-house company system comprising AA and BA companies; both have independent lines of products and both are managed separately. They do however occasionally share the same customers and, in the cases of JTHAI and JUSA where both divisions exist, may sometime compete for the same customers in terms of orders. Both AA and BA in subsidiaries are now controlled by JHQ.

The sales goals, expatriates and available products in all the subsidiaries are largely negotiated and determined by the in-house companies in JHQ through IBD. Specifically, annual sales targets are set up to express management's 'gut' feeling and distributed to each overseas subsidiary without examining their feasibility from interviews. For example, if the Asian region as a whole grew sales by 15% in one year, each of the overseas subsidiaries in Asia would be likely to be allocated a sales increase, this being 15% or more in the next year regardless of whether the revenue of a subsidiary in Asia increased in the initial year. This sales target was actually provided by JHQ although some heads of the overseas subsidiaries argued that this sales target was unreasonable and irrational.

The job titles of individual actors in all the subsidiaries are summarised below:

Table 8: The job titles and their descriptions in JapanCo group

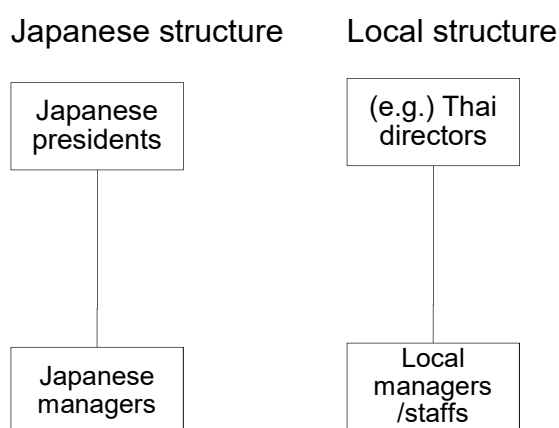
Titles	Descriptions
President /Managing director (MD)	Represents the president of each subsidiary
Director /Vice president (VP)	Responsible for the profits and losses of a business
Manager	Responsible for the profits and losses of a limited business
Non- managerial employees Japanese expatriates	Those who do not have titles above managers; most are local employees Expatriates from the Japanese headquarters (JHQ)
Local employees	Those who were recruited in a given location outside Japan

There is always either a Japanese president or a vice president, with the exception of JapanCo in Indonesia and China, since these are managed as a joint venture. In the selected subsidiaries in the case studies, the president in JUSA is an American, but the others are Japanese.

Japanese expatriates play a central role in communicating with JHQ from each subsidiary although 'localisation' is informally promoted. 'Localisation' means a process whereby local employees, not Japanese expatriates, should manage local businesses. In practice, however, a group of Japanese expatriates is somehow structurally created and maintained by JHQ. Each in-house

company - AA and BA in JHQ - decides to dispatch the next Japanese expatriates, while finally evaluating and approving the performance of their current expatriates, especially the president or vice-president. The performance of the Japanese expatriate manager is normally reviewed by its president, who is most likely to be Japanese. Here, the bonuses and salaries of all the expatriates are linked to their respective performances in JapanCo as a whole group, and are not determined by the respective subsidiaries. In other words, the HR system of the Japanese expatriates is free from its business performance. Conversely, for local employees, their performance, salary, and bonus are set, evaluated, and approved in a given subsidiary. This means that, although Japanese expatriates are in the same organisational chart with local employees, there are two invisible structures which assess and evaluate managers and staff, these being either Japanese or composed of local employees.

Figure 6: The organisational structures between Japanese and locals



This structural division between Japanese and locals has partially been identified as being composed of informal groups within Japanese MNCs'

subsidiaries (see Elger and Smith, 2005; Kopp, 1999). Nonetheless, this division is structurally reinforced in JapanCo (see 8.2). For Japanese expatriates, regardless of their title, their bonus and salary are separated from performance and that of their subsidiaries, being connected instead to the overall performance of JapanCo group. Thus, all the Japanese expatriate managers are controlled and managed by a top Japanese president and it is not important even if they are below their local directors or managers in status.

There is an annual performance appraisal for Japanese and local employees. Essentially, the Japanese are evaluated by the Japanese top ranked expatriate and the local employees by the local managers. Japanese expatriates are evaluated by the first direct manager, and then by the department in JHQ from which they were originally dispatched. There is no coherent evaluation or HRM system specifically for Japanese expatriates because the responsible department finally evaluates and approves their performance. According to most Japanese expatriates, the problem here is that Japanese expatriates are evaluated by JHQ in such a way that they are compared to other Japanese employees working in Japan and not with other expatriates in other subsidiaries. This leads to an evaluation of Japanese expatriates separately from the performance of their respective subsidiaries, and causes a structural and mental separation between the Japanese expatriates and the local employees. When asked about the roles of Japanese expatriates, one local Thai employee stated “well, [Japanese expatriates] are different [from Thais]”. Moreover, even the American president in JUSA asserted “I am not like [the Japanese expatriate VP] or like an expatriate from Japan”. This separated evaluation applies to all the

Japanese expatriates across the subsidiaries of JapanCo group in Asia, Europe, and North America.

5.3 The tales of subsidiaries in Asia and the West

5.3.1 Overview of the four subsidiaries

The four subsidiaries selected are: JapanCo in Thailand (JTHAI), JTAIW in Taiwan, JEU in Europe and JUSA in the US. These cases are expected to illuminate the cultural meanings of practices through the constellations of logics. Each subsidiary has different features which may affect these constellations of logics. These features are the customer bases, the functions and the organisational identity which they attribute to their subsidiaries as shown below.

Table 9: The features of four subsidiaries at JapanCo

Features	JTHAI (Thailand)	JTAIW (Taiwan)	JUSA (USA)	JEU (EU)
Customer base (its % of revenue)	Japanese customers (70%)	Taiwanese and Chinese customers (70%)	American customers (90%)	AmericaCo and European customers (100%)
Functions	Sales, marketing, service and corporate	Sales, marketing, service and corporate	Sales, marketing, service, manufacturing, R&D and corporate	Sales, marketing and corporate
Organisational identity	Japanese company	Japanese company	American company	Mixed (Japanese and European)

At first glance, this seems to show a simple picture of norms within the

subsidiaries. That is, the more Japanese customers there are, the more Japanese norms there are. In JTHAI, the interviewees tend to identify themselves as belonging to “a Japanese company” and alongside the notion of a Japanese norm, some Thais describe themselves by stating “we are family...in a typical Japanese company”. This company is entirely dependent on JHQ in terms of R&D and manufacturing. In JUSA, however, the interviewees tend to identify themselves as belonging to an American company by quickly answering “Oh boy, it’s an American company”. Here, the company is less dependent on JHQ than the previous company, and very few respondents use the word “family”. JEU is quite similar to JUSA, although it is more dependent on JHQ and has a mixed identity, with Japanese and European employees. Situated in between JTHAI and JUSA, JTAIW is shifting from being a Japanese company to being a local one.

These features, however, do not mean that a customer base at each subsidiary determines actors’ cultural interpretations in respect to, for example, the “family” norm. Nor do they mean that all the actors in JTHAI, for example, interpret practices through a Japanese “family” norm in the same manner. Rather, actors attribute cultural meanings to practices according to geographical contexts in respect to their customers, interests and JHQ. Here is a summary of the subsidiaries.

Table 10: Detailed profiles of JapanCo and subsidiaries

Items	JapanCo group (JHQ)	JTHAI (Thailand)	JTAIW (Taiwan) (JTAI)	JEU (EU)	JUSA (USA)
Revenue (2012)	200 billion JPY	2 billion JPY	2 billion JPY	70 million JPY	1 billion JPY
# of employees	9,700	158	56	12	45
# of branch offices	12	2	2	1	3
Ownership	Japanese institutional investors	Owned by JapanCo group	Owned by JapanCo group	Owned by JapanCo group	Owned by JapanCo group
Length of operation	107 years	18 years	13 years	13 years	14 years
Type of business	Automation(A), Building(B), and other in-house companies	A and B in-house companies	A and B in-house companies	A in-house companies	A in-house companies
Ratio of local customers	100%	40%	70%	100%	85%

In the subsequent sub-sections some of the features of the four subsidiaries which are likely to be associated with constellations of logics are described: their collective identities, customer base, organisational structure, and artefacts and office layout.

5.3.2 Collective identities of the four subsidiaries

The collective identities of the four subsidiaries vary from 'a Japanese company' to 'an American company' and 'a mixture of Japanese and European'. JTHAI was characterised as 'a typical Japanese company' by all the interviewees, presumably as a result of its high reliance on Japanese customers. A Thai HR manager commenting about JTHAI declared, "I think that JTHAI is not different from other Japanese companies". Other Thais also expressed the view that JTHAI was a Japanese company, referring to the fact that there are Japanese expatriates and president in management positions. In fact, the company does adopt typical Japanese management practices, such as those of harmony, seniority, Management By Waking Around, an opened door policy and intense socialisation. In addition, Theravada, a school of Buddhism is expected to be influential on the behaviour of the Thai employees.

Similarly, JTAIW tends to be identified as "a Japanese company". A Taiwanese manager pointed out how all the presidents have been Japanese expatriates from either AA or BA companies in JHQ. Another emphasised that there were no sales incentives, but some form of seniority did exist. Meanwhile, a Taiwanese director highlighted the business procedure as a reason for the Japanese qualities of the company. Given the fact that Taiwanese and Chinese customers are increasingly more important than Japanese ones, a Japanese MD asserted that "we are now in the process of localisation", meaning a change from being a Japanese company to being a local Taiwanese one.

By contrast, JUSA and JEU are closer to being a local corporation. In JUSA, many informants characterise themselves as "an American company", in

the sense that the customer base is American and the company has an American president, although some Japanese characteristics remain in the operational department. One American director, when asked whether JUSA was Japanese or American, asserted: “Oh, boy! It’s an American company”. To justify this, he went on to refer to the existence of an American president and VP, many American customers, and American salesmen motivated by high sales incentives. All the businesses here are under AA’s control and thus the Japanese VP is dispatched from AA in JHQ.

JEU is identified by European employees as “a mixed Japanese and European company”. A Belgian director, when asked if JEU was Japanese or European, explained that it was:

a bit of a mix of everything I think. Because of the cost, we have to think about the Japanese culture and the Japanese mother company who have as a group, certain rules, certain procedures, a certain way of working, a certain way of thinking, which is different from the European way. And on the other side, yeah, we have to talk to the European customers and our main goal, main job, is to build the bridge between the knowledge in Japan and the amount of the customers in Europe

The notion of a mix of Japanese and Europeans is manifest in conflicts within JEU in relation to JHQ and its local customers. JEU has also long dealt with

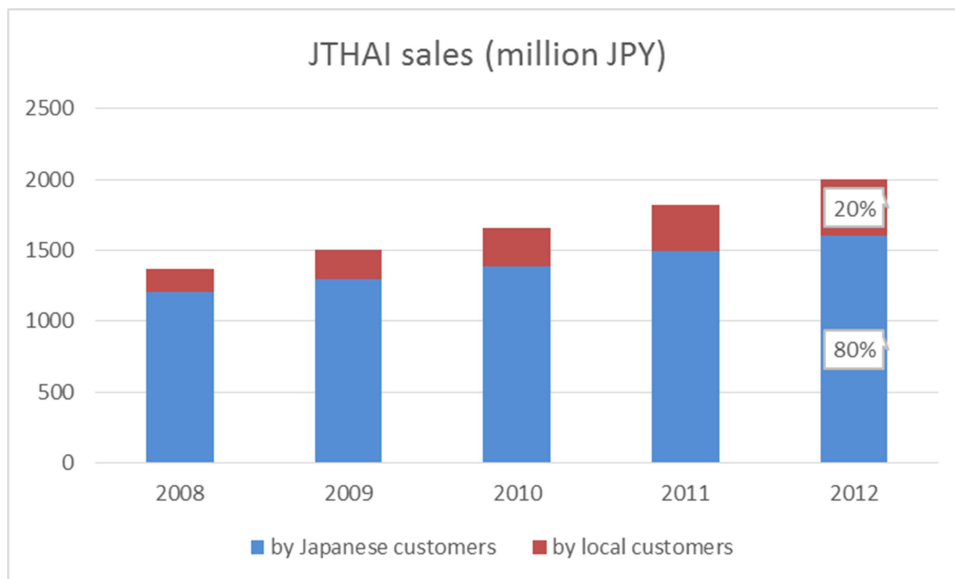
AmericaCo in Europe and other European manufacturers.

In fact, JEU was founded to deal with AmericaCo as a customer as well as an alliance partner at that time, and AmericaCo Europe has indeed been one of JEU's largest customers. It was an original equipment manufacturer (OEM) customer, buying and reselling JapanCo's products. Thus, JEU has been reliant on AmericaCo, in contrast to JTHAI, which has relied on incoming Japanese customers.

5.3.3 Customer bases of the four subsidiaries

The customer base of the four subsidiaries varies from a majority of Japanese customers in JTHAI to that of local customers in JTAIW, JUSA, and JEU. Originally, JTHAI opened as a subsidiary in Thailand in response to requests from Japanese customers. As a Japanese expatriate succinctly put it: "[W]e were taken by the initiative of Japanese customers who wanted to start [an] overseas business in Thailand". From the time that it opened, the company expanded its business as a Japanese manufacturer starting to enter the Thai market. The figure below shows the total sales by customers.

Figure 7: JTHAI sales by customers

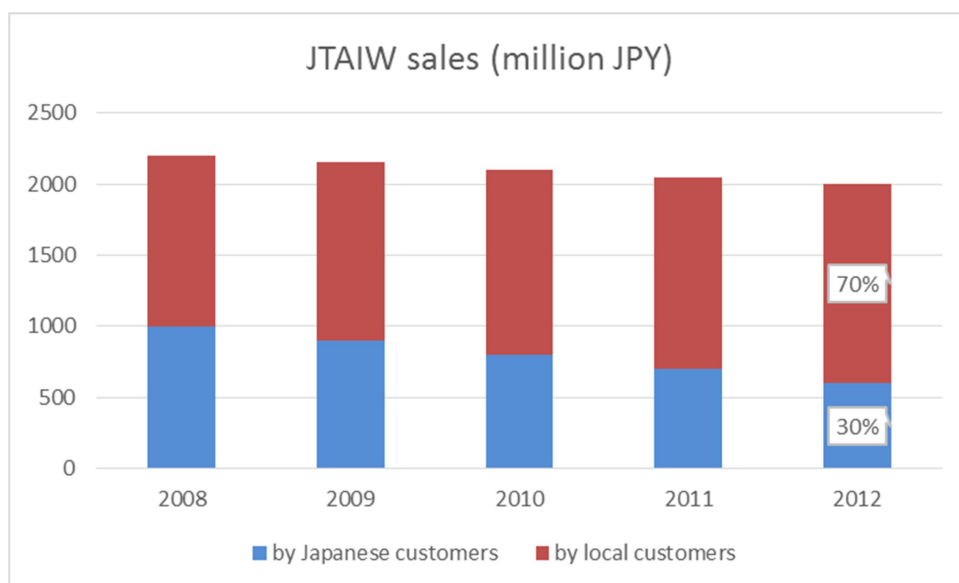


Currently, JTHAI has two main strategic initiatives: one is to acquire new local customers and the other is to retain existing Japanese customers. The existing Japanese customers are the main source of revenue providing more than 80% of current sales. The main strategic initiative was to maintain the existing Japanese customers. These customers were not just subsidiaries that were 100% owned by Japanese companies but also Japanese joint ventures with local companies. Since Thailand's economic recovery in 2002, and as demand for building Japanese plants in Thailand has grown, JTHAI has continuously expanded. The increase in revenue is now almost 10% more per year and, so far, this has largely been due to an increasing number of incoming Japanese customers. Its history is attached in appendix.

JTAIW is now adopting a localising strategy, which penetrates both the Taiwanese and Chinese customers, these both being connected to a number of

manufacturing plants in a growing Chinese market. Since 2008, some Japanese customers have started to withdraw their business from Taiwan and others have relocated to China as a result of the financial crisis. There has, therefore, been a fundamental shift from Japanese customers to local ones. This goes along with the increasing importance of the Taiwanese and Chinese customers, who tend to purchase their products in Taiwan but receive them on-site in China. Nowadays, more than half of JTAIW's customers are non-Japanese, typically either Taiwanese or Chinese. Its history is attached in appendix.

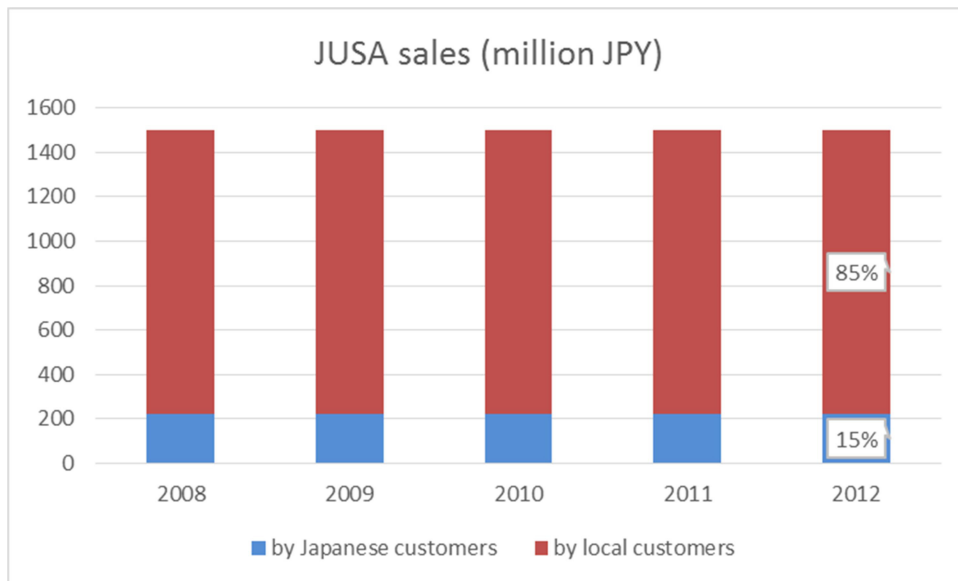
Figure 8: JTAIW sales by customers



Unlike JTHAI, both JUSA and JEU are primarily focusing on local customers, American and European manufacturers, and relationships with AmericaCo as a customer. Since the termination of the strategic alliance with AmericaCo, JUSA has focused on local American customers. In fact, JUSA has

adopted a localised strategy concentrating on local customers in the US with local employees. 85% of the revenue comes from local, non-Japanese customers, who are mostly American. In the past five years, however, sales have been flat because of a decline in the semi-conductor market. Thus, the main new initiative of JUSA is to develop Japanese as well as American customers. Japanese automotive manufacturers in the US are the focus because sales activities for the manufacturer were not previously conducted in a proactive manner. Semi-conductor equipment manufacturers and shale gas plants are specified as potential American and Japanese customers. Both customers were actually approached by the American sales team under the Japanese VP's leadership. In particular, shale gas plants are a potential source of business for both American and Japanese manufacturers. When using gas meter products from a newly acquired American company, the Japanese VP aims to develop a shale gas plants market. Its history is attached in appendix.

Figure 9: JUSA sales by customers

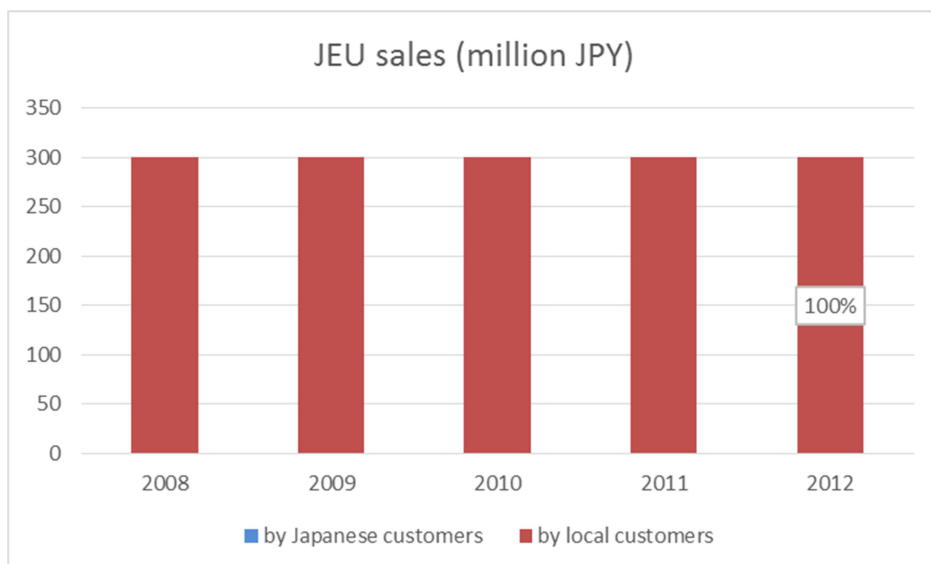


Similarly, JEU deals with only non-Japanese, European and American customers. JEU is now adopting a localised strategy to acquire new potential local customers (such as plant engineering companies and electronic manufacturers), by providing solutions that combine industrial parts. JEU used to adopt routine sales activities which provided products for the past alliance partner, AmericaCo, with the latter buying and reselling JapanCo products. The new strategy of the current president, however, aims to formulate solutions and become a solution provider to local customers. This concept should provide solutions by combining existing products as required by customers, rather than simply selling the products. For example, what customers may want is to adjust a certain amount of gas or liquid in plants. In this way, JEU can provide a system to control the gas/liquid amounts in plant manufacturers. This type of strategy is not intended to be decreed by the Japanese president, but should be formulated

together with the local employees. Its history is attached in appendix.

One of the major customers has been and still is AmericaCo, which comprises more than 60% of JEU's revenue. The rest are Western companies from North America or Europe, and this focus on local customers requires local expertise. This makes JEU a localised company of JapanCo to an even greater extent, particularly as regards interpersonal communication, the way of doing business and the company's norms and beliefs. A particular point of frustration on the part of the local Belgian employees concerns the Japanese way of doing business, such as the procedure of launching and terminating products and services. Employees here asked questions such as: "Why does JEU bring [a] Japanese way of doing things here in [the] European market. We, Europeans, know more about this market than the Japanese".

Figure 10: JEU sales by customers



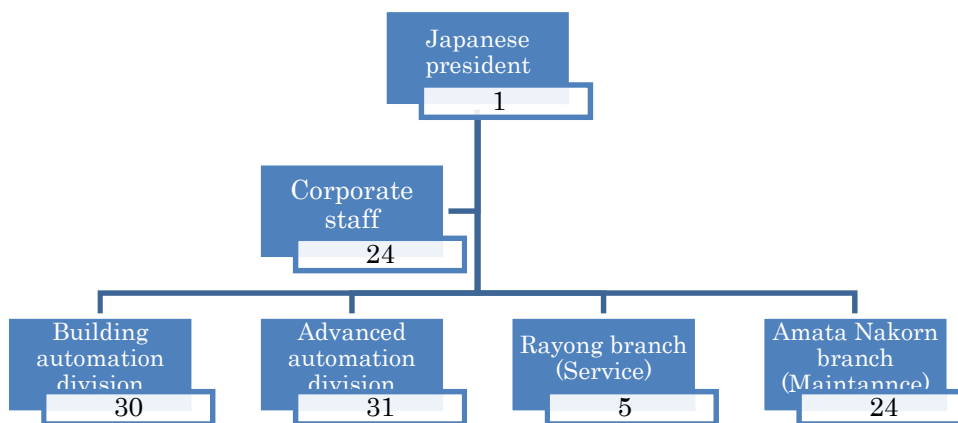
5.3.4 Organisational structures of the four subsidiaries

The organisational structures of the four subsidiaries greatly depend on the

businesses functions in the subsidiaries. All the subsidiaries, except JUSA, have mainly sales and service functions. Only JUSA has research and development (R&D) and manufacturing functions.

In JTHAI, the current organisational structure is divided into the same divisions as the headquarters: i.e. two divisions - AA and BA divisions - two additional sales branches which sell the products of both divisions and a corporate department including HRM, IT, accounting and logistics. Below is the general organisational chart, complete with the number of staff.

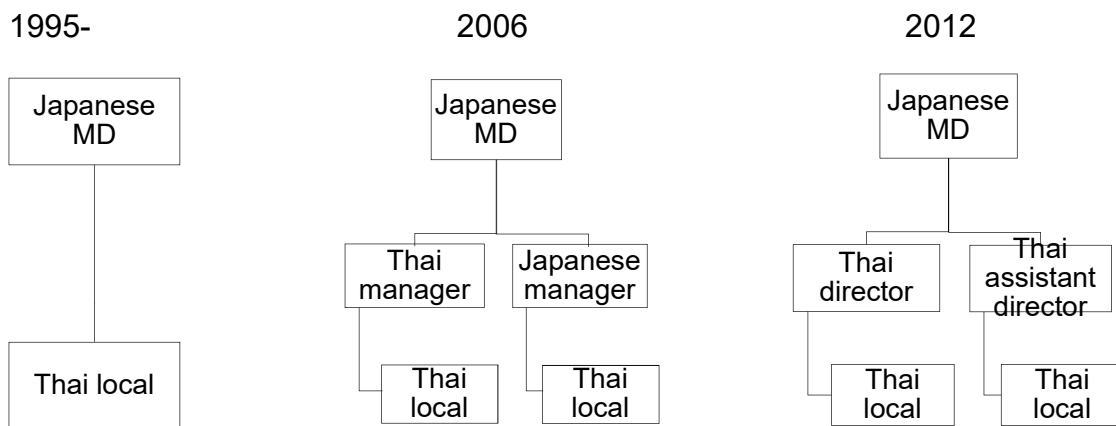
Figure 11: The overall organisational chart in JTHAI



There are four Japanese expatriates in total, two in the Advanced Automation division, one in the Building Automation division, with the last one being the president. Temporary visitors from JHQ also come and go on a regular basis. The corporate and sales branches are made up entirely of Thai employees. More recently, Thai managers have for the first time been promoted as directors in JTHAI. This has meant that local Thai directors are in charge of all the local businesses in Thailand. (The historical change in the organisational structure

between Japanese expatriates and local employees is shown in the figure below). The organisational chart of each division is attached in appendix.

Figure 12: Historical change of organisational structure in JTHAI



The organisational charts for the Building and Advanced sections where the Japanese are located are as follows.

Similarly, JTAIW has two divisions, AA and BA divisions. Because of the institutionalised rule of localisation, Taiwanese have been appointed to director positions in each division. In the AA division, the director is Taiwanese and all the managers except for one are Taiwanese. In BA, a Taiwanese manager was recently promoted as the deputy director. Below are the organisational charts for both AA and BA divisions. Historically, almost all the MDs are Japanese expatriates. The number of Japanese expatriates is added in parentheses. The organisational chart of each division is attached in appendix.

Figure 13: The overall organisational chart of JTAIW

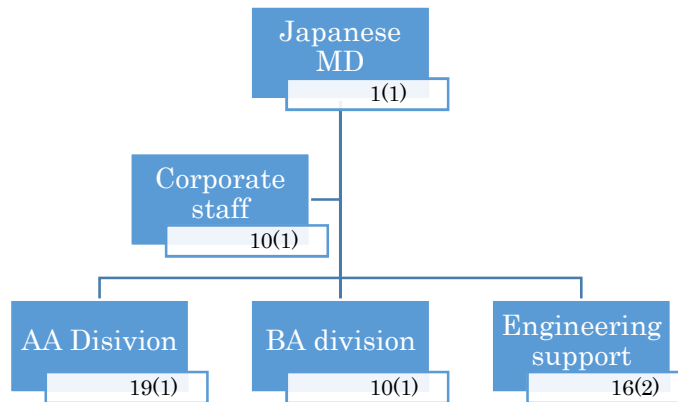
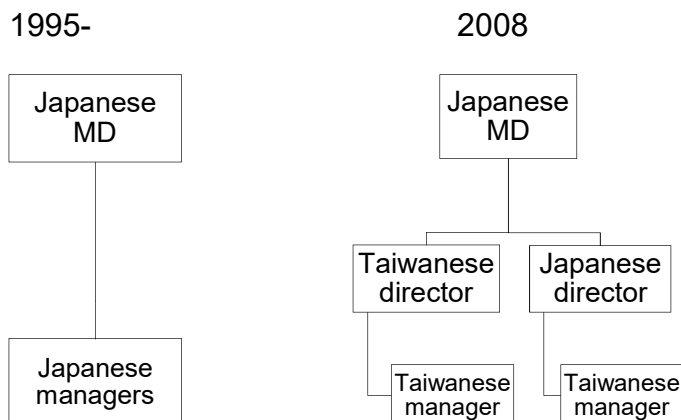
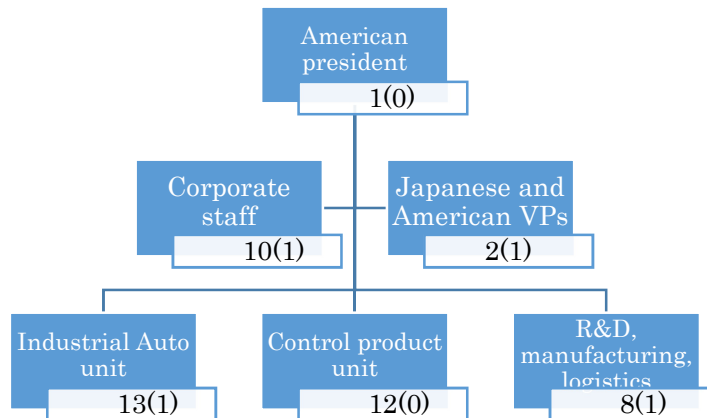


Figure 14: Historical change of organisational structure in JTAIW



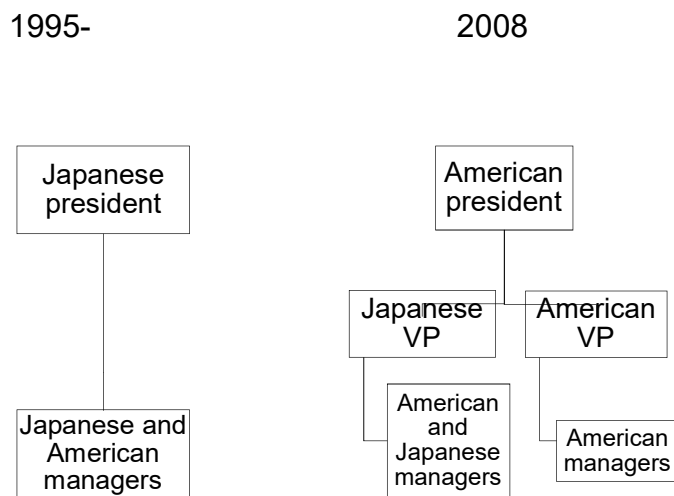
JUSA only has AA division. Unlike those of the other three subsidiaries, the current president is an American and not an expatriate from JHQ. His main role is not to manage the business but to function as a chief financial officer (CFO) because JUSA had a problem with accounting under former Japanese presidents. Here, the Japanese expatriate was appointed as VP and communicated with JHQ. In practice, the Japanese VP tends to play a role of the president and is expected to initiate business and communicate with JHQ.

Figure 15: The overall organisational chart of JUSA



In the sales and marketing division, the Japanese VP is an acting director who formally manages the development of both Japanese and American customers. There are Japanese expatriate sales that are mainly responsible for Japanese automotive manufacturers in the US. The rest of the American sales managers and staff are responsible for American customers. In 2008, the current American president was appointed.

Figure 16: Historical change of organisational structure in JUSA



JEU also only has an AA division. The total number of employees in JEU is now twelve. The MD is a Japanese expatriate, and another two Japanese expatriates work in Germany as temporary engineers. Hence, the organisational structure in JEU is simple: the Japanese president manages all the local employees. The office of JEU comprises a main office in Belgium and a sub-office in Germany. The organisational structure is clearly defined by the individual job descriptions. There is a small branch office in Germany, comprising four employees. The current and former MD are all Japanese expatriates.

Figure 17: The organisational chart of JEU

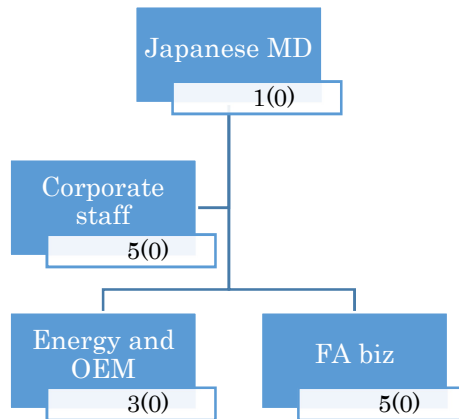
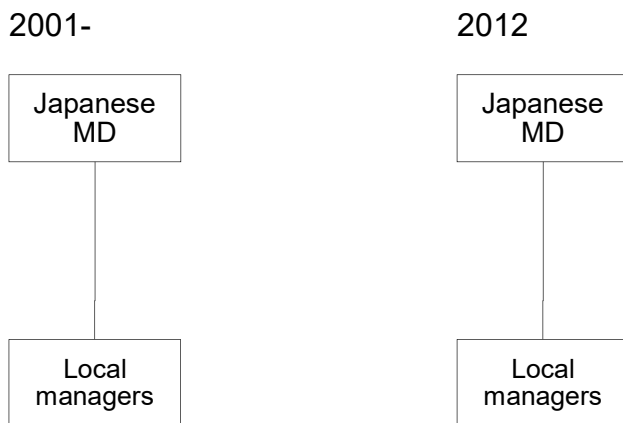


Figure 18: Historical change of organisational structure in JEU

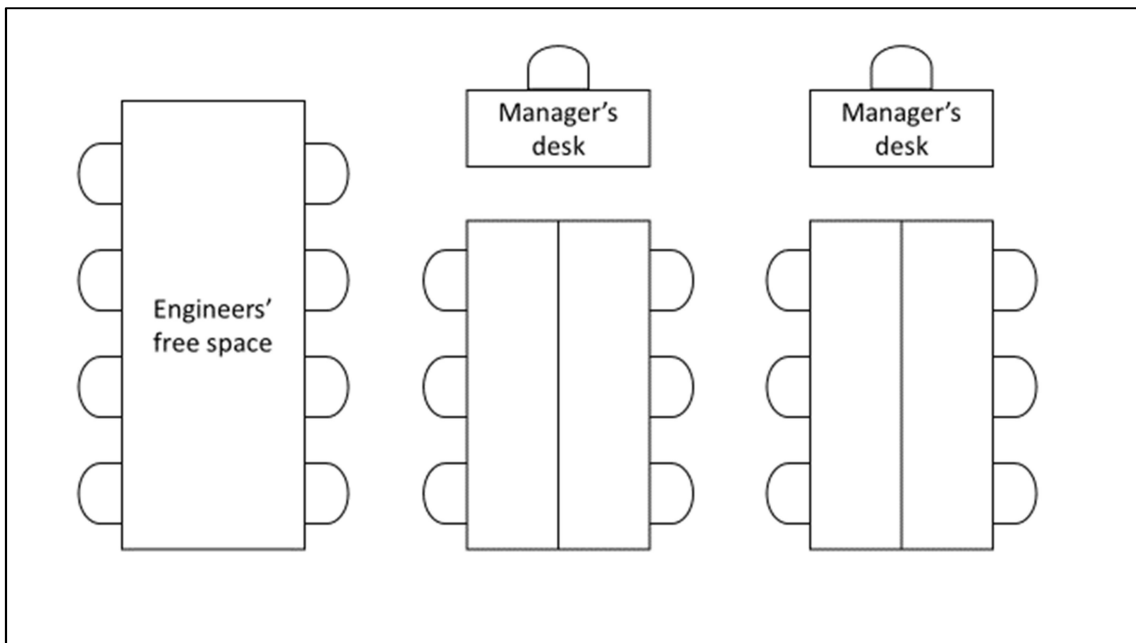


5.3.5 Artefacts and office layouts of the four subsidiaries

The artefacts and office layouts also vary according to the customer base and businesses of each subsidiary. In JTHAI, as with JHQ, non-managerial members

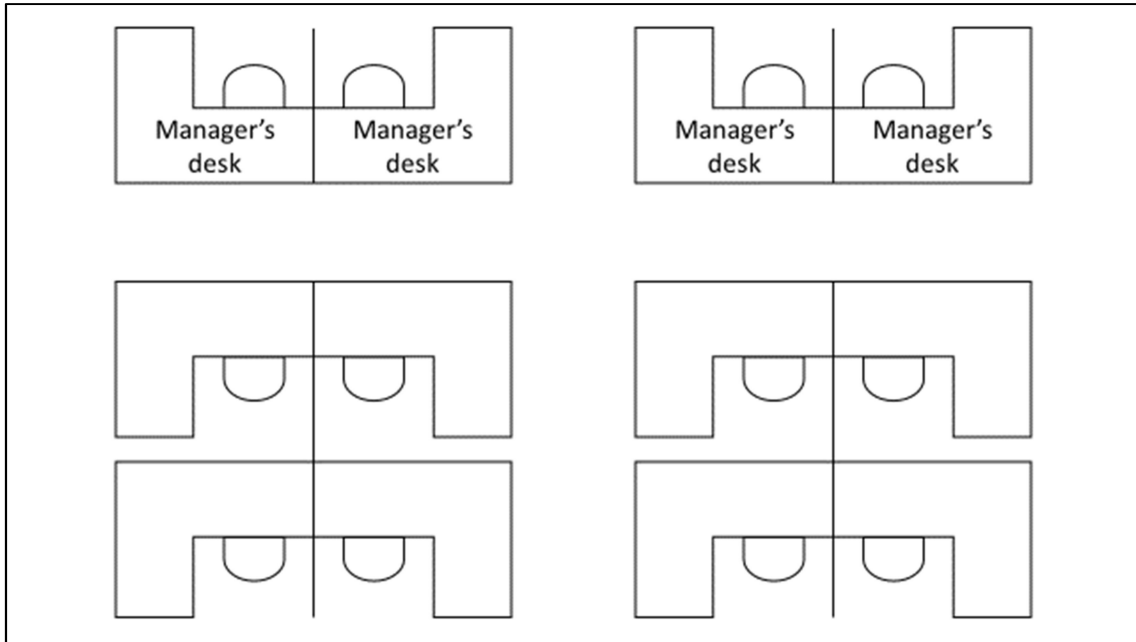
tend to share the same long desk in sales divisions, and there are no partitions except for the corporate staff members. This resembles a typical Japanese company office in Japan, and the engineers do not have their own space or desk because they tend to stay on the customers' sites. Only the Japanese MD has a private room, while the managers have their own desks and spaces, but without partitions. Its office layout is attached below.

Figure 19: The office layout of JTHAI



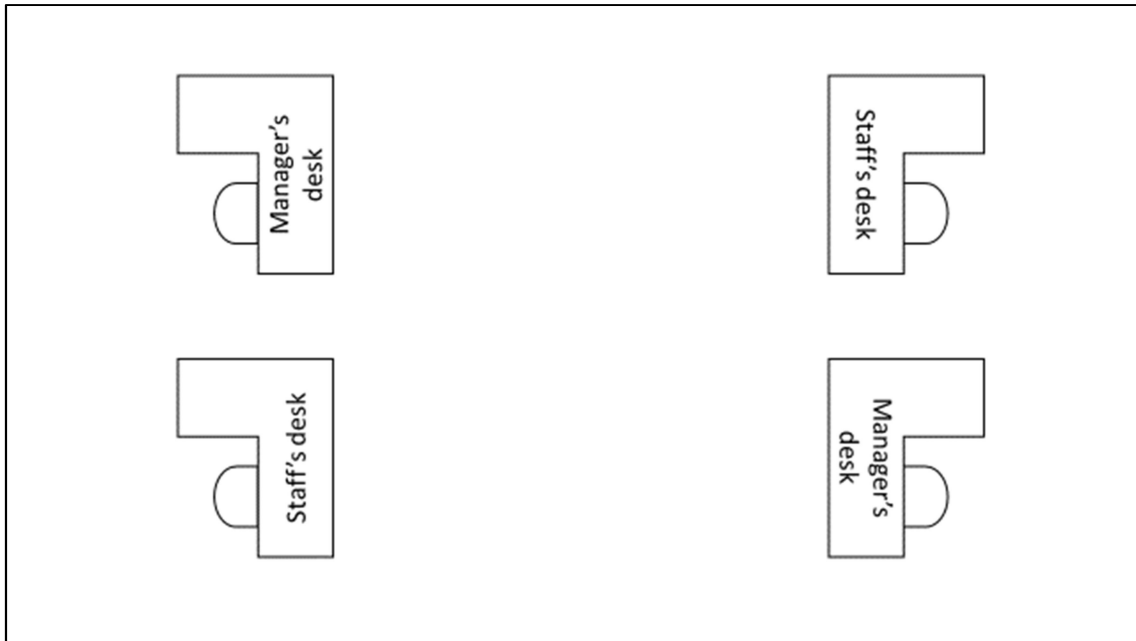
By contrast, in JTAIW, The office layout is different from that of JHQ, where every non-managerial employee shares the same desk. At JTAIW all the employees have their own desk and space separated by partitions. Only the Japanese MD and two members in the finance department have a private room for security reasons since they deal with personal information, such as salaries and legal information. Its office layout is attached below.

Figure 20: The office layout of JTAIW



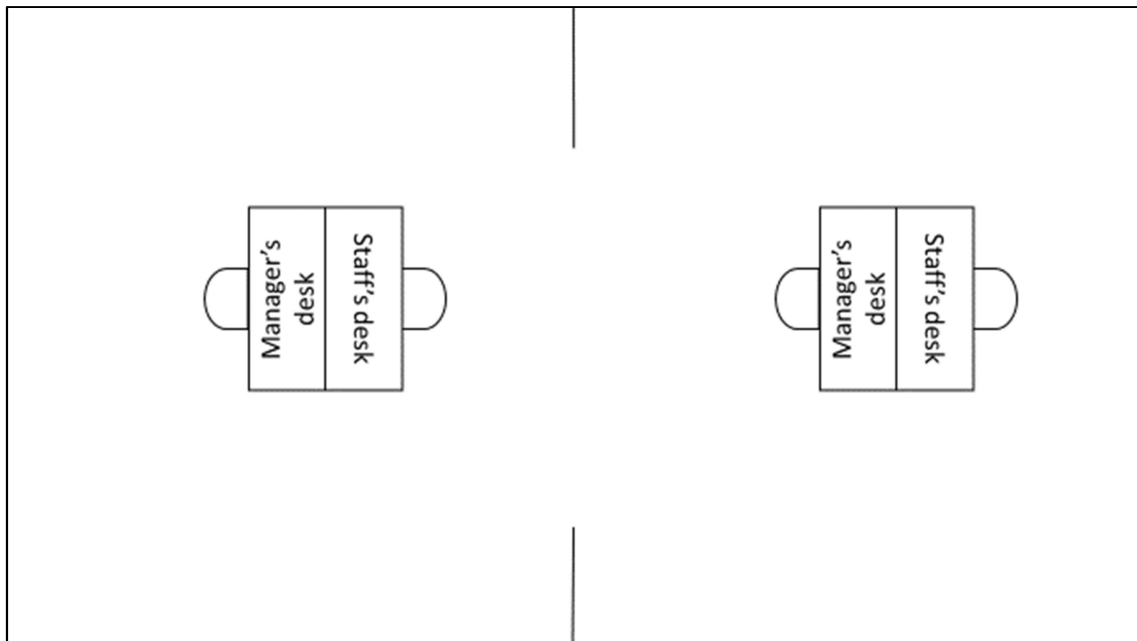
Unlike JHQ and JTHAI, the office layout in JUSA is quite spacious and all the management members, such as the president and VPs, have a private room. Each of the other members also has their own desks and spaces. There are partitions between the desks which are low enough for them to see each other and a space in front of the desks in the office in Phoenix where there is a weekly QC Control meeting. Its office layout is attached below.

Figure 21: The office layout of JUSA



Similarly, the office layout in JEU is not like that of JHQ and JTHAI where everybody shares a long desk. Rather, each member has his/her own desk while sharing the same room. Only the Japanese MD and the HR manager have a private room. The office is spacious and its members can easily talk to each other. Its office layout is attached below.

Figure 22: The office layout of JEU



5.4 Conclusion

This chapter has sought to provide relevant background to interpret the remaining empirical chapters. With the alliance partner, AmericaCo, JapanCo is characterised as a unique and atypical Japanese corporation, possibly causing complex cultural meanings in practices through varied constellations of logics. Here, two major elements influencing the cultural interpretations of each subsidiary in terms of collective identities are provided: the main type of customers locally and the dependence on JHQ. Identified as 'a typical Japanese company', JTHAI seems to be quite associated with Japanese management practices according to a large Japanese customer base. It is also quite dependent on JHQ in terms of their products and services. By contrast, JUSA and JEU have a strong influence from AmericaCo and their local customers,

thereby being identified as 'an American company' and a mixture of Japanese and European company' by their local employees. JTAIW is facing a change in its customer base from Japanese to non-Japanese, such as Taiwanese and Chinese yet still identifies itself as 'a Japanese company'. Furthermore, an examination was also made of the dependence on the resources of JHQ where research and development functions are concentrated. In particular, JUSA is relatively independent from JHQ because of its manufacturing and research and development (R&D) functions while the others, such as JTHAI, JTAIW, and JEU, are quite reliant on manufacturing and R&D resources in JHQ. These subsidiaries have to communicate frequently with JHQ in order to enquire about and negotiate on prices, delivery and the quality of the products.

Nevertheless, this does not mean that the features of the subsidiaries determine the actors' cultural meanings in respect to practices. Rather, it is a feature that generates complex cultural interpretations of practice through the constellations of logics that will be explored in the next three chapters.

Chapter 6: Aligned Practices in Customer Development: Significance of Culture

6.1 Introduction

This chapter aims to understand how aligned practices in customer development are culturally interpreted through high compatibility and high centrality in logics. It is organised into five sections. First, the elements of four logics are defined and exemplified. Second, the context of the dominant Japanese culture is reviewed. Third, 'Oyabun' and 'Kobun', 'Ongaeshi', 'family' relationships in Japanese are discussed. Forth, Thai Theravada Buddhism is described. In a concluding section, two findings, with a related discussion, are offered: the Japanese 'family' and Thai Theravada Buddhism logics are culturally interpreted showing how aligned logics can be amplified in a cooperative manner.

6.2 Defining the elements of four logics: Family, religion, market, and corporation

Drawing on previous arguments about logics (e.g., Friedland and Alford, 1991; Friedland, 2012; Friedland et al., 2014; Thornton et al., 2012), the elements of four logics are defined as components of practices conducted in Japanese MNCs. Here, the legitimacy of the corporation logic is the top priority in Japanese MNCs, imposing overarching assumptions onto and within economic organisations. Important elements of these logics are selected from the work of Friedland and Alford (1991) and Thornton et al. (2012): 'root metaphor', 'source of legitimacy', and 'basis of norms/attention/strategy'. This selection also refers

to the identified elements of logics through 'the enactment of logics on the ground' using McPherson and Sauder's (2013) drug court example to elaborate this. It should be noted, however, that the element of primary associated actors with specific logics, as McPherson and Sauder (2013) underlined, were not explored in this thesis because logics are enacted, rather than intentionally 'used' by actors as a toolkit or cultural 'repertoire'. Furthermore, in line with 'practice theory' (Giddens, 1984), each element of the institutional logics needs to reflect how individual actors conduct and interpret practice in their contexts. In reference to the ideal types of logics (Thornton et al., 2012), five elements are especially selected to help understand how actors conduct and interpret practice: root metaphor; legitimacy; the basis of norms / attention / strategy. Root metaphor and legitimacy indicate how legitimate practice is for individual actors while the basis of norms / attention / strategy shows how the practice is interpreted by them. Table 11 below is a summary of ideal types.

Table 11: The ideal types of logics embodied by practices within JapanCo

Elements	'Family' logic (Japanese)	Religion logic (Theravada Buddhism)	Corporation logic	Market logic
Root metaphor	Company as 'family'	Religious group for making religious merits	Company as a group of people pursuing mutual economic goals	Company as a group of economically efficient independent professionals
Source of legitimacy	Reciprocal obligation relationship (<i>ko-on</i>)	Pre-determined relationship by karma	Hierarchical relationship formed by titles	Independent relationship formed by self interest
Basis of norms	Maintaining memberships by active participation	'family' religious merit	Asserting authority by titles	Pursuing individual self interest
Basis of attention	(<i>Wa</i>) organisational harmony	Importance of religious merits and organisational harmony	Assigned duty according to titles	Individual and independent performance
Basis of strategy	Sharing others' work, information, reward, time and space in an equal manner	Dividing work, information, reward for making religious merits	Dividing work and protecting own information according to titles	Strictly dividing work to each, and protecting own information for themselves

The 'family' logic represents the concept of 'family' discussed in the existing literature of Japanese management practices and manifesting the Japanese 'family' which emphasises a reciprocal obligation between parents and their children ('*ko*' and '*on*' in Japanese) (Kondo, 1990; Bhappu, 2000) (see 3.4.1). This differs from the source of legitimacy being unconditional loyalty as Friedland and Alford (1991) and Thornton et al. (2012) argue. In reference to collectivistic aspects of Japanese 'family' (Kondo, 1990; Bhappu, 2000), the 'basis of norms / attention / strategy' is the action of sharing things through the concept of 'family'. The basis of norms is identified as maintaining 'family' members by active participation (Kopp, 1999) while the basis of attention is organisational harmony, '*Wa*' in Japanese, and the basis of strategy is the action of sharing things, such as work, information, rewards, and space and time.

With interviews, textual analysis, and participant observation, this Japanese 'family' logic was identified through practices such as seniority, teamwork, long term employment, and sharing information, rewards, space and time. Associated key words related to 'family' are 'family' and its children, father, kids, parents, and Japanese terms related to 'family', such as '*Oyabun*' and '*Kobun*', '*Senpai* and *Kohai*', '*Ongaeshi*', and '*Shita-Gekirei*'. In particular, the accounts of practices using the metaphor of 'family' were considered the enactment of 'family'. A direct example is that Thai managers activate notions of 'family' by saying "we are 'family'". Another example is the claim of a frustrated Japanese expatriate that a Thai director does not nurture and train his Thai subordinates as 'family' kids, at least in the way he thought to be an enactment of Japanese 'family' logic.

The religion logic represents Thai Theravada Buddhism, as discussed in the existing literature on management in Thailand, especially Atmiyanandana and Lawler (2003), who argue for the importance of religious merits, benevolence and forgiveness in Thai business management (see 3.4.4). In particular, the concept of religious merit, '*Tam Bun*' in Thai, emerged through interviews and observations as a unique idea in the location of Thailand. Since the religion logic discussed in the work of Thornton et al. (2012) and Friedland and Alford (1991) is based on Christianity, not Buddhism, this thesis extends the literature on this logic.

In the data analysis, the religion logic was specified through actors' frames of reference in which they, mainly Japanese expatriates, identify the existence of Thai Theravada Buddhism in their workplace. This was identified through key words, such as religious merits, '*Tam Bun*' in Thai, never mind, '*Tam Bun*' in Thai, the land of bliss, Karma, benevolence, kindness, and forgiveness. The concept of Buddhism is infused in that of 'family', where the benevolent father is identified as an ideal leader in Thailand (Atmiyanandana and Lawler, 2003). Here, the ultimate purpose of life is considered to be rebirth as a better human by gaining religious merits and so manifests as an emphasis on individuals' interest.

The corporation logic represents a hierarchy within organisations with reference to the work of Thornton et al. (2012) which argues for the importance of raising one's status in the organisational hierarchy (see 3.4.2). Wages being determined by seniority is identified as the organisational hierarchy in Japanese MNCs with reference to the Japanese 'family' logic discussed in the work of

Kondo (1990) and Bhappu (2000). Furthermore, a hierarchy between Japanese and locals is also expected to exist, as the work of Kopp (1999) implies although this is dynamically formed by actors' active participation. '*Laopan*' in Taiwanese, president or boss in English, is also identified as a symbolic term to manifest the hierarchy between superiors and their subordinates in JTAIW.

The corporation logic is specified through key words, such as seniority, '*Laopan*' in Taiwanese, a distinction between Japanese and the locals, the influence of actors' job titles and positions, and cultural interpretation of hierarchies between regions and countries. In particular, the key words are elaborated in relation to actors' interpretations of their practices, negotiation, and interactions. For example, '*Laopan*' in Taiwanese manifests the corporation logic whereby ultimate authority rests on the president in JTAIW and no Taiwanese employees act against the decision of the president, even though they may argue and complain before the decision. Another example is the hierarchy between Japanese and the locals manifested in the workplace. In particular, cultural interpretation of hierarchies is also manifested among Japanese expatriates who claim that Japan is underneath the West while above other Asian countries.

The market logic represents actors' self-interest as discussed in the work of Thornton et al. (2012) (see 3.4.3). In Japanese MNCs, self-interest seems to be infused into the organisational interests and thus, according to the work of Kondo (1990) and Bhappu (2000), both are interdependent. The Western concept of the independent self does not seem to exist in Japanese MNCs, however, which echo collectivistic practices manifesting the Japanese 'family'.

Thus, the concept of self-interest is expected to be enacted specifically in the West, and it is on this premise that the institutional logics perspective has tended to be based.

The market logic is identified through key words, such as self-interest, individuality, own benefit, individually defined work, compartmentalised information, personal room in the office as opposed to desks and room shared with other employees, and individual rewards as opposed to organisational rewards. It emphasises individuality as opposed to the collective Japanese 'family' concept. Actors' interpretations of practices that contain these key words are identified as the enactment of the market logic.

The table below indicates examples of quotations manifesting logics.

Table 12: Examples of quotations in terms of logics

Logics	Examples of quotations
Family logic (Japanese family)	<p data-bbox="577 371 1973 400">“We are family! We spend time together on not only working hours but also lunches and dinners ” (a Thai manager in JTHAI)</p> <p data-bbox="577 469 1973 592">“It’s not only America, America is just a result of me being transferred, and then I just came here by chance... It’s simply because I have owed a lot to JapanCo in Japan, and JapanCo asked me to expand the business of JUSA, therefore, it is imperative for me to repay by growing the business, thereby doing ‘Ongaeshi’.” (a Japanese vice president in JUSA)</p> <p data-bbox="577 660 1973 831">“The Japanese normally conduct ‘<i>Shita-Gekirei</i>’ (giving a pep talk while scolding in English) to the young and inexperienced who are incapable of doing something, don’t we? The Japanese tend to expect you (as a child) to change in the future, so training you, scolding you when you are wrong, advising you, or proposing you with some ideas...” (a Japanese manager in JTHAI)</p>
Religion logic (Thai Theravada Buddhism)	<p data-bbox="577 855 1973 932">“... everybody here gets along with each other ... and tends to give a hand to inexperienced employees and others ... there is probably Theravada Buddhism behind these behaviours ...” (A Japanese manager in JTHAI)</p> <p data-bbox="577 1000 1973 1219">“They [Thais] would not scold or call you an idiot but would treat you really well. This is expected in order to make them great men; men of religious virtue. I imagine that, even if one makes a mistake, they would still forgive him in order to be able to go to Sukhavati [Land of Bliss]. I am wondering if they think of it this way. I have recently been considering this. Neither have they investigated into the cause [of lost sales] nor have they made a critical movement in others [sales].” (A Japanese manager in JTHAI)</p> <p data-bbox="577 1287 1973 1313">“ We [Thais] do not give much pressure by asking why, why and why to the sales managers. I just try to help them explain the</p>

	<p>situation. My style is different from that of the [Japanese] president who is always asking why, why and why.” (A Thai assistant director in JTHAI)</p>
Market logic	<p>“Different from Japan, a luncheon meeting here is a common practice where we have lunch with the customers together. It is uncommon in Japan yet is the culture in America... where [the host] receives the customer’ information [which possibly leads to new business opportunities] in return for paying for lunch.” (A Japanese vice president in JUSA)</p> <p>“... I am sales and considering only numbers. The reason why I care about profits and sales is to think about more salary and more incentive to change their life. How can we change life? That can be done by salary right? Wage, that is salary, right? If we make big numbers, that means that Taiwanese could get more salary. Japanese think about the benefit of Tokyo only.” (A Taiwanese manager in JTAIW)</p> <p>“It is all about [sales] numbers so I can’t help but pay more [salary and sales commission] to the one who performs better [than agreed sales budget] because it will be trouble if he or she leaves [JUSA]... I cannot evaluate other than with [numbers]...” (A Japanese vice president in JUSA)</p>
Corporation logic	<p>“Given a generation gap [between the customer contacts and his subordinates], the contacts at customers whom I have dealt with are promoted to become directors so ‘Ko’ [my kids in English] whom I took to customers tend to communicate with the same job titles within [Japanese] customers organizations. I could talk to anyone, but my subordinates neither directly talk to a director nor are allowed to talk by him. There is a seniority based [social] order [within the Japanese customers’ organizations]. My subordinates instruct their men in the same way [as I do].” (A Thai manager in JTHAI)</p> <p>“I told a Taiwanese manager [in a performance evaluation meeting] that well, this man is already 32 year old and has kids so said why don’t you raise his salary... but [the Taiwanese manager] told me it’s irrelevant. He seems to care more about the lengthy of service rather than age.” (A Japanese managing director in JTAIW)</p>

The next three sections demonstrate aligned practices in customer development where there is high compatibility and high centrality between Japanese 'family' and Thai Theravada Buddhism, and between the market and corporation logics.

6.3 Collective efforts to develop Japanese customers

Japanese customer development has long been recognised as a collective effort in JapanCo's international development. To be exact, JapanCo has long followed Japanese customers going abroad, rather than initiating its internationalisation by itself. The Japanese Managing Director (MD) in JTHAI claims that "we were taken by the initiative of [Japanese] customers who wanted to start overseas businesses". He critically asserts that JapanCo group has literally never formulated and executed an overseas strategy on its own. As a consequence of chasing Japanese customers in Japan, it has, in turn, followed what Japanese customers told them in overseas markets. This heavy dependence on Japanese customers echoes the idea of 'relational embeddedness' in Asia (Collinson and Rugman, 2008) in which the Japanese customers there allow 'customer-led new product development'. In particular, this is evident in JTHAI where the main business is to develop the existing and incoming Japanese customers. While JTHAI has developed its business with Japanese customers since its foundation, with Japanese customers comprising more than 70% of its total revenue, JUSA and JTAIW started with a similar intention but now have few Japanese customers. Meanwhile, all of JEU's customers are non-Japanese.

In practice, Japanese expatriates are the primary contacts and play a key role in the selling process: proposing products and services and executing sales projects; for instance, installing valves or air conditioning systems into factories, and closing the sales contracts and collecting receivables. This is mainly because communications with the customer contacts are done in Japanese if they are Japanese. A Japanese expatriate manager in JTHAI explains:

In the projects handled by Japanese managers at [the Japanese] customers, Japanese expatriates are all the contacts for the customers ... Thais wouldn't get involved in ... They would be under our [Japanese] control and told by us to submit this and that quotation ... [in the projects by Thais] it will be totally reversed ... they do not consult each other ... so both of us [Japanese and Thais] do live and let live ... as a matter of fact, it is meaningless to get Thais involved with Japanese in handling projects so I would rather tell them to do as they are told...

This is consistent with how Japanese customer development occurs in JTAIW and JUSA. In most sales jobs, local employees are the 'doers' while the Japanese expatriates are the leaders. This means that Japanese expatriates plan and give orders to local employees about what to do. A Japanese MD in JTHAI quotes how it works in practice:

before the launch of a project ... pre-project work design and quotation are work tasks which Japanese at customers are responsible so I will be in charge of these tasks ... then, after project acquisition, say let's execute it at site, local employees will take over and implement these projects ...

So, due to the Japanese customer contacts, the roles of Japanese and local employees are fixed. In practice, Japanese to Japanese relations between JapanCo's subsidiaries and Japanese customers in a given location is constantly prioritised in the Japanese customer relationship

This Japanese to Japanese relationship is based on the collective identity, 'company as family'. This allows actors to view Japanese customers as 'organisational assets' meaning that it needs to be shared and in turn developed with a collective effort as in Japan. Intensive socialisation, seniority, seasonal greetings are identified in developing Japanese customers. For instance, Japanese top management tends to be invited for a greeting by the customer. Japanese Vice President (VP) mentioned that "I still make a greeting to Japanese customers here in the US because I am often invited by them". All the Japanese expatriate directors or presidents tend to greet the existing or new Japanese customers in a host country. The Japanese expatriate explained that "the main aim of the greeting is to gain more sales opportunities from the Japanese customer locally which the Japanese are visiting". He went on to

mention that “I made a greeting with some Japanese customers and then, got sales opportunities to submit a quotation, which is not yet finalized... so everyone makes a visit for greeting Japanese customers locally but not [for American customers]”. All the customers are not *Keiretsu* at all but the greeting custom still remains even outside Japan like JUSA.

Moreover, in JTHAI, this close relationship with Japanese customers enacts Japanese cultural collectivism. There are no individual sales incentives in developing Japanese customers because of aspects of organisational assets. This is remarkably consistent with the sales activities in JHQ where all Japanese salespersons are assumed to contribute to team goals and be rewarded by promotion. Although sales quota is assigned to salespersons, they often share the same corporate customers so rather are expected to cooperate together with team members and mentor the inexperienced ones. In line with the same assumption, the Japanese MD in JTAIW assumes that Japanese customer development itself should be, and actually is, treated as an organisational effort. He views sales performance from Japanese customers as a consequence of teamwork rather than individual performance. In fact, there is an individual sales incentive programme for only local salespersons in JUSA and JEU where it is a common business practice, not in JTHAI and JTAIW. In addition, salespersons, when developing Japanese customers, are expected to have technological expertise and knowledge, as in Japan. Thus, the title of local Thai salespersons in JTHAI, for example, is not just sales but Sales Engineer (SE) in order for them to deal with Japanese customers.

In a sharp contrast to Japanese customer development, that of local

customers enacts the market and corporation logics, where an economic incentive is paramount, more than the Japanese 'family' logic. In JEU, for example, there are European or American rather than Japanese ones. The largest customer, comprising more than 60% of total revenue in JEU, is AmericaCo Europe, as the corporate alliance partner, with which JapanCo has long dealt. It has been an original equipment manufacturer (OEM) customer, buying JapanCo's products and reselling them under the name of AmericaCo. A Belgian manager simply points out that dealing with AmericaCo is a 'boring' routine job. He describes

[JEU] was founded about twelve or thirteen years ago ... to serve AmericaCo. Everybody was looking for only one dedicated customer – AmericaCo, then it's easy. If you have one customer who sells one million or millions of products a year, then the only thing you have to do is every week sign so many boxes, you give them to them and that's it. Get invoice and that's it. Easy job. But if it's an easy job you become sloppy, you become lazy.

Dealing with AmericaCo is based on their corporate contract as an OEM, rather than for local business which JEU developed, thus enacting the corporation logic where the organisational hierarchy between JEU and their headquarters is legitimised. Indeed, none of the respondents in JEU have attributed Japanese 'family' to the practices in local customer development. Types of customers,

whether Japanese or non-Japanese, therefore, matter to constellations of logics.

The fact that there are surrounding Japanese players, Japanese customers, Japanese expatriates, opens up a cultural space to be filled with Japanese 'family' and collectivism, as Kondo (1990) articulate. Japanese customer development is conducted through actors' cultural interpretations of Japanese 'family' and other logics; market, corporation, religion as reviewed in a next few sub-sections.

6.4 Dealing with Japanese customers through the Japanese 'family' logic

The Japanese 'family'-like relationship is supported by a clanship in the corporation, rather than the blood relationship normally assumed in the Western 'family'. This notion of 'family' is shown in the interviews with Thai sales managers in JTHAI. A Thai sales manager describes his sales force as a 'family' by saying that "we are family", as Kondo articulates (1990). He and his subordinates often go out together, have lunches and dinners together, and even go on company and team trips together. He treats his men as his kids and tries constantly to advise them formally and informally. Other managers also use 'family' as an expression for their salesforces. In JTAIW, there is one Taiwanese manager who refers to the Japanese corporation as 'family'. In fact, he has been working since the company's initiation and believes that teamwork is important. Another Taiwanese manager agrees with the concept of 'family' in reference to the Japanese leadership style of caring for its employees all the time. Mentioning a former Japanese expatriate, she says "in the beginning, at that time, there were maybe only 20-30 people so he treated us like his children". This concept

of 'family' is deeply associated with the Japanese cultural version of 'family' when they develop Japanese customers.

Another Thai manager, who was brought up in Japan, and speaks fluent Japanese, raises the importance of 'family' which possibly stems from his relationship with Japanese customers. In the actual interview, he calls his subordinates kids. He went on to point out that this notion of 'family' might transpose from Japanese customers to his salesforce. He states:

Given a generation gap [between the customer contacts and his subordinates], the contacts at customers whom I have dealt with are promoted to become directors so 'Ko' [my kids in English] whom I took to customers tend to communicate with the same job titles within [Japanese] customers organizations. I could talk to anyone, but my subordinates neither directly talk to a director nor are allowed to talk by him. There is a seniority based [social] order [within the Japanese customers' organizations]. My subordinates instruct their men in the same way [as I do].

Treating subordinates as 'Ko' in Japanese, kids in English, he views managing people as like nurturing young subordinates like his kids. This paternalism is the Japanese version of the 'family' where the older has to care for the younger. It also means that Japanese 'family' members in the corporation are ranked by seniority, rather than their performance; Bhappu (2000) states that 'achievement

is second to trust' in Japanese organisations. The seniority here is based on a Japanese father and child relationship transposed into Japanese customer organisations. In order for the Thai manager to communicate effectively with the contacts in Japanese customer organisations, he utilises the concept of Japanese seniority in his salesforce. He expects and actually teaches his 'Ko' to do the same as he maintains the seniority. This seniority of the 'family' is manifested in Japanese business organisations (the corporation logic) for gaining economic benefits (the market logic).

Furthermore, this father and child relationship is strongly implied between Thai managers and their Thai subordinates. At first sight, the Japanese 'family' seems to be legitimised by full 'unconditional loyalty' just as the Western 'family' means a child's complete dependence on his father (Thornton et al., 2012). In reference to the '*Oyabun Kobun*' relationship, however, a Japanese ritual kinship relationship (e.g., Ishino, 1953), the Thai manager actually emphasises the concept of 'family' in Japanese as a metaphor when providing practical advice to his subordinates. This means that the subordinate, as a child, should follow advice from, and learn from, the manager, as a father. He describes how to train and instruct his men.

[For subordinates] rather than teamwork unconditional support is necessary. It is from mental to professional support. Like an older brother caring for the younger, I need to teach them by visiting the customer sites together. The experienced [the old] need to instruct the inexperienced [the young]. I teach the basics and they follow me, and

let them see what '*Oyabun*' [their boss] is doing. I have them see my interaction with [Japanese] customers. They in general would understand what this business is in one year and half or two years. Yet, they still need to learn more continuously.

He characterises his men as his 'children' who need to copy his behaviours and attitudes as he insists that "as a child grows, the parents let him watch how they live, so my men should do the same". Occasionally seizing his chance to teach his children especially in visiting Japanese customers, he tends to tell what is right and wrong in communicating with the Japanese customers. In this sense, parents are always their children's role model. As a matter of fact, I, when a salesman in Japan, was trained exactly like this. This expression is often used as a typical way of raising the inexperienced salespersons by Japanese managers. The experienced sales persons need to take on the role of the father to raise the inexperienced as a young child. This is quite distinctive in the sense that this Japanese 'family' norm exists within a corporation. By contrast, the Western 'family' primarily concerns a blood relationship, thus caring for the direct family only.

This Japanese 'family' strongly implies 'reciprocity and obligation' (Bhappu, 2000; Kondo, 1990) between a father and his children. It means that the relationship between a father and his child is expected to be legitimised through reciprocal obligation. In addition to on-the-job training, the Thai manager regularly facilitates study groups within his department as part of sales training. In the study group, the inexperienced salespersons can study the JapanCo

product lines. This usually takes place once a week during non-working hours, - non-payable hours in other words. He emphasises the burden on his children by asserting that “each member should study the products on his own”: it is an obligation of his children as responsible ‘family’ members. He exemplifies that “for instance, this week, my subordinate is ordered to study the heat source system, and he studies this and becomes a teacher in this study group... normally, we need to deal with another new job when we do a topic by half”. This strongly manifests not the Western ‘family’, but the Japanese ‘family’ norm where the ‘family’ is based on ‘reciprocity and obligation’.

Moreover, this Japanese ‘family’ relationship is also distinct from the Western ‘family’ in terms of ‘*Ongaeshi*’ in Japanese, which means repayment to someone to whom one thinks one owes a lot to. *Ongaeshi* is the Japanese word in which each child once they have become an adult needs to repay (*gaeshi*) its own parents in exchange for having received the favour of being nurtured (*on*). Bhappu (2000) considers this as the basis of the Japanese ‘family’ relationship. Through Japanese customer development, the Japanese Vice President in JUSA states that his ultimate goal is not promotion or salary raise. What really motivates him to grow drastically the business of JUSA is to conduct ‘*Ongaeshi*’ in Japanese by repaying those who had taught and trained him since he joined JapanCo. He asserts:

I would not have been working here if I wanted to make much money...

I could not make much money here... I could change a job and there is a plenty outside of JapanCo, and actually many job opportunities

came to me... but even if I change the job, I'm not sure that I would continue to have fun in the job as I do... so my goal is to grow the business of JTHAI, not to change a job for a higher salary... I have owed a lot to [JapanCo] and many olds... indeed [JapanCo] is not a great prestigious company but I could not find myself outside here...

Here, he denies that he is motivated by a higher salary or promotion. His motivation is to grow the business based on repaying JapanCo group, *Ongaeshi* in Japanese. This is the moment when he repays for what he believes he owes: a sense of being trained and nurtured. So he concludes that 'it is absolute that I do achieve good economic results in order to respect those to whom I have owned'.

Thus, for him, to grow the business of JUSA is not the sole purpose of his business but is simply his 'obligation' in exchange for what he had got. Developing the American market is simply one approach of conducting '*Ongaeshi*'. He continues to explain what *ongaeshi* means to him:

It's not only America, America is just a result of me being transferred, and then I just came here by chance... It's simply because I have owed a lot to JapanCo in Japan, and JapanCo asked me to expand the business of JUSA, therefore, it is imperative for me to repay by growing the business, thereby doing '*Ongaeshi*'.

This American market development is purely economic activity while encouraged by 'family' 'obligation' because he feels *ongaeshi* in Japanese. *Ongaeshi* originally stems from the 'family' relationship between parents and their child. Similarly, there is another Japanese expatriate manager who continues to work at JUSA due to the advice from his senior, '*Senpai*'. He is trying to keep the words of the seniors who used to advise him and even 'protect' him within JapanCo from being treated in an irrational manner, such as being relocated or fired. He still keeps the words that he was told to "put the customer needs first whenever you cannot decide". He was also advised to 'be patient and continue to stay at JapanCo' when he wanted to resign before. The 'family' relationship with his seniors still remains and directs local customer development.

This indicates actors' cultural interpretation of the Japanese 'family' logic, which is somewhat distinctive from the Western 'family' logic based on 'unconditional loyalty'. Japanese expatriates incline to repay by increasing economic results while feeling this obligation for the seniors who cared them. This also develops the reciprocity and obligation relationship based on '*ko* and *on*' as Kondo (1990) and Bhappu (2000) assert. A series of Japanese management scholars, mainly non-Japanese, fail to illuminate these cultural interpretations of the market logic because they lack 'area knowledge', as Elger and Smith (2005) point out.

6.5 Gaining religious merits in sales follow up

This 'family' norm is strongly manifested among the Thai salesforces, rather than

Japanese expatriates. In fact, none of Japanese expatriates in JTHAI expressed themselves by saying that “we are family” as the Thai managers do. The Japanese MD, when asked whether he thinks of JTHAI as ‘family’, was dead against the concept of ‘family’. He said that “for me, this is not ‘family’ but a professional workplace. Family sounds very light-hearted. I could not take it easy”. Another Japanese expatriate manager interprets Japanese ‘family’ among Thai employees very differently. He argues for Theravada Buddhism by stating:

... everybody here gets along with each other ... and tends to give a hand to inexperienced employees and others ... there is probably Theravada Buddhism behind these behaviours ...

He asserts that, for the Thai, it is the religion logic of Theravada Buddhism that is activated rather than the family logic. He went on to point out the importance of religious merit in Theravada Buddhism for the Thai employees: helping others, showing benevolence, and forgiving the mistakes of others. Indeed Theravada Buddhism is the dominant religion in Thailand, observed by about 95% of the citizens (Atmiyanandana and Lawler, 2003). The concept of Japanese ‘family’ with ‘obligation and reciprocity’ may be emphasised through Theravada Buddhism, where the ultimate purpose is to gain religious merit through mundane jobs. The religion logic based on Thai Theravada Buddhism is strongly identified only in JTHAI, not in other subsidiaries, such as JTAIW, JEU, and

JUSA. In particular, in JUSA, a local director told me, when asked about religious influence, that “we are not allowed to talk about religion”.

Similarly, another Japanese expatriate casts doubt on this ‘family’ which the Thais always mention, although this is admired by other Japanese expatriates. He rather calls these practices, conducted by the Thai manager and its subordinates, as ‘quasi-Japanese management practices’ with some individualism. He meant that these practices, while superficially similar to Japanese practices, are somehow ‘Thai’ Japanese practices influenced by Theravada Buddhism, which promotes the practices of helping others for religious merit. He adds that gaining religious merit, ‘*Tam Bun*’ in Thai, which is central to Thai people, can be achieved not only by making a donation but also by forgiving and helping others in order for them to achieve a good ‘next life’, as Atmiyanandana and Lawler (2003) explain. The study group, for instance, can also be interpreted not as maintaining the Japanese ‘family’ norm but as gaining religious merits. It is neither organised nor ordered by the Japanese expatriates but purely volunteered by the Thai manager. All the other Thai managers proactively provide on-the-job training for sales, even after working hours. This on-the-job training is also not assigned as a job or ordered by the Japanese expatriates. In the same way, at social events, the person with the highest position tends to be the one to pay for all the bills in order to gain religious merit (see 7.3.1). The Japanese expatriate exemplifies this as a typical Japanese management practice among Thai local employees, stating that “[Thais] get along with each other and tend to help each other.” He admires the fact that Thai employees are really doing good at this practice. These may superficially look

like 'a Japanised subsidiary', as a Japanese expatriate mentioned, yet it is not really Japanese but in some sense the Thai religion. In addition, although both Japanese and Thai nations are collectivistic societies, 'family' from the Thai point of view seems to be quite influenced by religious aspects since the Thai behaviour of gaining religious merit is based on individual efforts.

This becomes evident in sales follow-up. For instance, there was a huge sales opportunity from a customer. A Thai salesman was expected to submit a quotation by the deadline but did not prepare until just the day before. As a result, the opportunity was lost. The only person who got angry over the sales loss and closely questioned the salesman was a Japanese expatriate. In this case, the Japanese expatriates got upset over lost sales and yelled at the Thai local salesman. Thai directors, however, reacted quite differently. They tended to view a lost sale as an opportunity to gain Theravada Buddhism merits. In losing sales opportunities, they try to gain religious merits by resigning to their mistakes. According to the Japanese expatriate, Thai managers or directors showed no reaction over this incident. He continued to state that "well, none of the Thai managers blamed the sales persons for losing the sales opportunity ... they were just saying *mai pen rai* (never mind in English) ... this is incredible". A Japanese expatriate suspected that behind this incident is the concept of gaining a religious merit, or '*Tam Bun*' in Thai. According to him, not only making a donation but also forgiving and helping others are the means to make religious merits in Theravada Buddhism. In other words, forgiving and helping others are not for business purposes such as expanding the business and increasing the revenue but for gaining one's own religious merit. This religious merit in

Theravada Buddhism is reflected in an ideal Thai leader helping and forgiving (Atmiyanandana and Lawler, 2003).

This Japanese expatriate interprets the religious merit as a guiding principle for Thai people in business as well as in daily life. This is possibly related to the ultimate interest for Thais which is to gain religious merits in order to have a better next life by being born into a wealthy 'family' (Atmiyanandana and Lawler, 2003). Comparing this with Japanese behaviours, he went on to share his interpretation of the Thais:

They [Thais] would not scold or call you an idiot but would treat you really well. This is expected in order to make them great men; men of religious virtue. I imagine that, even if one makes a mistake, they would still forgive him in order to be able to go to Sukhavati [Land of Bliss]. I am wondering if they think of it this way. I have recently been considering this. Neither have they investigated into the cause [of lost sales] nor have they made a critical movement in others [sales].

In actual work practices, this resignation is highly likely to bring about another economically irrational result in sales activities because it does not allow any investigation into what causes lost opportunities and therefore learning from a mistake. For the Thais, it is a passive action in order to gain a religious merit while for Japanese, it results in 'no learning curve'. One's current status is a consequence of one's prior life; thereby the Thais continue to revise their

possible future status by seeking to gain religious merits.

The religious norm is strongly implicated in the tendency to be 'benevolent' to others although this is not clearly articulated by Thai local employees. A Thai local director responded to the question regarding how to deal with salespersons who are losing sales opportunities. Unlike the Japanese president, he pointed out that applying pressure on sales itself is not right. He claimed:

We [Thais] do not give much pressure by asking why, why and why to the sales managers. I just try to help them explain the situation. My style is different from that of the [Japanese] president who is always asking why, why and why.

It is true that, due to the importance of forgiveness, he tends not to investigate, or be investigated, about the cause. Religious norms seem to be quite implicit among Thai employees. In the interviews, he clearly denies the existence of Theravada Buddhism in the workplace when asked whether Theravada Buddhism may or may not influence Thai behaviours. Similarly, there are some Thai employees, when developing local customers, who tend to insist on sales incentives for individual sales performance. They often tend to ask Japanese expatriates by saying "why do we need to acquire and develop new local customer... since we have enough Japanese customers". They then tend to insist on an increase in salary by taking on difficult tasks, such as acquiring local

customers. However, the fact that they end up smiling or being quiet in the face of lost sales opportunities tends to be understood by the Japanese as a reflection of Thai religious beliefs. This forgiveness and avoidance of anger is accommodated not only by the cultural custom, but also by Theravada Buddhism which encourages the Thais to gain religious merits such as by being generous, by being forgiving of others, as well as by helping others.

6.6 Discussion and conclusion

This chapter has sought to understand how the aligned practices of customer development are culturally interpreted through high compatibility and high centrality in logics (Besharov and Smith, 2014). There are two main findings which are identified in this chapter: Japanese 'family' and Thai Theravada Buddhism logic are culturally interpreted; logics are amplified in a cooperative manner, rather than being compatible.

The first finding is that the Japanese 'family' logic and Thai Theravada Buddhism are culturally interpreted according to a national culture with which actors conducting the practices are associated. The elements of the Japanese 'family' and Thai Theravada Buddhism logics fundamentally differ from those of logics defined by Thornton et al. (2012). The distinctive elements of cultural interpretations are threefold. First, the concept of the Japanese 'family' is not exactly the same as that of the Western 'family'. First, the Japanese 'family' is governed by reciprocal *ko* and *on* relationships, rather than 'unconditional loyalty' which legitimates Western the 'family' (Thornton et al., 2012). This originates from the importance of 'reproduction of 'family' members' as Friedland and Alford

(1991) state. This Western 'family' logic seems to be consistent with Western 'family' firms (e.g., Karra et al., 2006). What legitimises the Japanese 'family', however, is 'reciprocity and obligation' based on the Japanese notion of 'family'. 'Oyabun Kobun' and 'Senpai' are expressed as a burden of Japanese 'family' members: 'Ongaeshi', repayment to those whom one owes a debt to, especially in the context of a child or subordinate who is obligated to return the favour to its parents or seniors for the nurturing they offered. The Japanese VP in JUSA is originally motivated to return the favour to *senpai*, the senior to whom he thinks he owes a debt (see 6.4). For him, it is common sense to return the favour by generating profits. Then, he further interprets a demand for *ongaeshi* based on the Japanese 'family' logic in the contexts of corporation. This meaning of 'family' is also influenced by the collectivistic nature of Japanese society (Hofstede, 2010). It here has little to do with 'unconditional loyalty' as such, prioritizing more "reciprocity and obligation rather than obedience" (Bhappu, 2000). It is also not really consistent with the parental altruism which can be manifested in Western 'family' firms (e.g., Nordqvist and Melin, 2010; Karra et al., 2006).

Next, each meaning of 'family' in Japan and the West entails a different scope of 'family' members. The Japanese 'family' means an expanded concept of 'family' including non-blood relationships (Bhappu, 2000), while the Western 'family' usually means direct blood relationship in a nuclear 'family'. It even includes its subordinates as 'family' members by saying that "we are family". A body of literature about 'family' firms tends to assume blood relations for the enactment of the family logic in terms of their ownership and structure (Thornton et al., 2012; Chung and Luo, 2008). The 'family' in Japan, however, includes the

non-blood relationship; as Kondo (1990) asserts 'ie' in Japan should not be treated just as a kinship based on biological blood relations but is "best understood as *corporate group* that holds property (for example, land, a reputation, and an art or 'cultural capital') in perpetuity" (p122) (emphasis in original). This is also connected to the national culture: in Japan's collectivistic society, Japan, people "in groups' that take care of them in exchange for loyalty" while in an individualistic society, "people are supposed to look after themselves and their direct 'family' only" (Hofstede, 2010).

Finally, the Thai Theravada Buddhism logic is also culturally interpreted. In contrast to Mahayana Buddhism, Theravada Buddhism enables actors to gain religious merits in the form of outward signs during their daily lives (Atmiyanandana and Lawler, 2003). The Thai Theravada Buddhism logic is not consistent with the meanings of Western logics as put forward by Thornton et al (2012). A leader in Theravada Buddhism is expected to be a 'benevolent' father. This contrasts with a religion logic based on Christianity, governed by 'sacredness' (Thornton et al., 2012). Although Thornton et al. (2012) utilised a more universal religious logic, it is fundamentally based on the Christian view of religion, which may not be easily transferred to the Asian context. This Theravada Buddhism version of the religion logic is deeply embedded in Thai society as the logic rooted in a national context as its 'geographical community' (Lounsbury, 2007). Both Japanese 'family' and Thai Theravada Buddhism once again highlight the limitations of the current Western institutional logics perspective, eventually implying that these perspectives cannot be universally applied.

These distinctions extend our knowledge about a relationship between logics and national cultures where the national culture affects the logics, rather than simply being a part of them. The current literature assumes the universality of logics by demonstrating how different constellations of logics are enacted in different national contexts (e.g., Värlander et al., 2016). This chapter demonstrates that the logics themselves manifest the national cultures with which actors are associated. Giorgi et al. (2015), for example, make a distinction between the cultural effect on institutions and institutions' effect on culture, positioning culture as able to play a role in institutional change and stability. In their review of the current literature, culture and institutions are assumed to be intertwined and thus inseparable given their comment that "institutions are thoroughly cultural" (ditto, p27). Indeed current studies have not explicitly argued for the relationship between culture and institutions on the assumption that culture and institutions are clearly separated (Giorgi et al. 2015). This is somewhat true in the recent work of logics and culture. For example, analysing transferring practices in a MNC, Värlander et al. (2016) illuminate different constellations of logics in the US, China and India according to their national cultures, providing thereby a dynamic view of how logics manifest in different institutional environments. They did not forget to remind us of their particular concern about the relationship between logics and national culture by saying that "the content of familiar logics may themselves vary across sites" (Värlander et al., 2016, p103). They are very aware of the potential distinctions between the market logic in China, where the economy is planned, and that of the US. This concern is consistent with the current calls for a better understanding of the

relationship between culture and institutions (Giorgi et al., 2015). In this thesis, the enactments of the Japanese 'family' and Thai Theravada Buddhism logics confirm that not only are logics and culture interdependent, but they also manifest one another. It argues that national cultures are incorporated in logics themselves, thus changing the interpretations of logics per se.

The second finding is that logics are amplified in a cooperative manner. The finding directly elaborates on the presupposition of amplification itself (Greenwood et al., 2010; 2011). Here, the Thai employees in JTHAI are motivated to be 'family' members (the 'family') who cooperate through seniority (the corporation), helping the other (the religion logic) to ultimately gain economic results (the market logic). The benevolence of the Thai leader is strongly implied in the term of 'family', so its father needs to not only care its child but also to gain religious merit, not only facilitating but also strengthening both the 'family' and religion logics. This is consistent with what Greenwood et al. (2010) showed as the relationship between Spanish 'family' owned firms and Catholicism. This also confirms Bhappu's (2000) identification of the 'family' and religion logics within Japanese MNCs. She demonstrates the existence of the 'family' and religion logics simply operating within Japanese MNCs, but fails to point out how these logics coexist and cooperate. Logics are likely to intertwine with each other through the meanings of 'reciprocity'. This further elaborates on the concept of amplification which Greenwood et al. (2011) propose to be the amplified effects of the 'family' and religion logics, because both logics concern social responsibility in society, rather than self-interest.

Moreover, this raises a significant doubt as to whether the concept of

compatibility (Besharov and Smith, 2014) is adequate to describe the relationship between the 'family', religion, market and corporation logics in this chapter. Aligned practices are enacted with high compatibility, meaning that 'logics provide compatible prescriptions for action' (Besharov and Smith, 2014). Here, however, Japanese 'family' is incorporated in other logics, such as the Thai Theravada Buddhism, market, and corporation logics, all amplifying each other without the hierarchy. In this chapter, the Thai employees characterise themselves as 'family' when developing Japanese customers (see 6.4) while also manifesting religious merit in Theravada Buddhism when developing customers (see 6.5). They do not scold or yell as Japanese expatriates do but forgive the mistakes of their subordinates by saying *mai pen rai*. The significance they attribute to religious merit is not only facilitated, but also amplified by the demand to generate revenue for the corporation (the market and corporation logics). Here, it is much more than just compatibility among logics providing 'compatible prescriptions for action' (ibid). None of 'compatible logics' (Besharov and Smith, 2014), 'a hybrid logic' (Thornton et al., 2005), nor facilitative relationship (Goodrick and Reay, 2011) can adequately describe how these logics strengthen each other: amplifying logics in other words.

Chapter 7: Contested Practices in Work and Employment:

Significance of Context

7.1 Introduction

This chapter aims to understand how the contested practices in work and employment are interpreted through low compatibility and high centrality in logics. The 'family', religion, market and corporation logics are enacted in a contradictory manner in the practices of work and employment. The chapter is organised into four sections. First, job delegation is discussed. Next, performance appraisal is evaluated. Finally, socialisation is reviewed. The concluding section articulates the finding of the chapter: constellations of logics are ongoing and continuously formed in relation to geographical locations.

7.2 Job delegation: A conflict between self-improvement, self-acceptance, and self-interest

Job delegation contextually enacts conflicts between the Japanese 'family', religion, corporation, and market logics on an ongoing basis. In JTHAI, where there are Japanese sales managers dealing with Japanese customers, Theravada Buddhism contextually enacts religious merit gained through self-acceptance, while Japanese 'family' self-improvement is a reciprocal obligation. A conflict arises between Theravada Buddhism and 'family' logics when a Thai director finds it difficult to delegate a job properly. For Japanese, self-improvement is assumed to be a burden of 'family' members and thus a manager has to help his subordinates to improve. Japanese tend to treat local employees by saying '*Shita Gekirei*', a phrase often used in reference to

Japanese 'family', meaning to give a pep talk while scolding if necessary. In a sense, job delegation is treated as an opportunity for on-the-job training by Japanese managers. In contrast, for Thais, self-acceptance is assumed to be central to gaining religious merit. In fact, a Thai director simply accepts the fact that there may be people incapable of doing the task, completing it by himself instead. This echoes a religious belief that "one's current status is related to the way one led one's prior lives" (Atmiyanandana and Lawler, 2003, p235). In a nutshell, Theravada Buddhism enables actors to gain religious merits through acts such as "kindness towards others, especially the less fortunate" (Atmiyanandana and Lawler, 2003, p234).

Thus, when a Thai director finds it difficult to delegate a job to his subordinates he sees this as a consequence of 'prior live' and tend, therefore, to accept incompetent subordinates as they are by immediately giving up training and encouraging. A Japanese expatriate exemplifies that:

There is one [Thai] salesman who is really incapable under a Thai director. So I ordered the Thai director to tell the salesman do a particular job. Then, what happened is that the director did that job instead, not the salesman. Thus the salesman would not be educated nor would he recognise this as an issue because the director did the job instead. I observed that the director already gave up asking the salesman to do the job and did it by himself. He never tried to give a pep talk to the salesman. In brief, he is an individual [not a team member]. [He thinks] he is capable but the other isn't. It means that I

am I and you are you... Here, Theravada Buddhism is immensely influential ...

He went to say that this is attributed to the religious aspect of Theravada Buddhism behind the Thai behaviours, the importance of forgiving other mistakes. The Japanese expatriate did not notice this contextual religious aspect in job delegation until the moment when the Thai director did the job instead. The Thai director simply accepts the fact that his subordinate is incapable while Japanese tend to feel 'obligated' to encourage their men until the subordinates become competent. This conflict is triggered by contextual enactment of the religion logic, Theravada Buddhism.

On this occasion, the Japanese expatriate would tend to become angry and scold these Thai employees. This is simply because job delegation enacts Japanese 'family' which promotes self-improvement of its members. He interprets this by showing anger as a feature of the father's role to his children in the process of raising them, while it is also a habit of pursuing one's economic contribution. He believes that "there must be someone who should scold irresponsible salespersons... in a sense, I am taking on this burden ... I am not Thai or will I live here forever ... this is why I can be mad at local employees who are irresponsible". It is true that he knows full well how much the Thais dislike being scolded at. In a harmony with Thai Theravada Buddhism, it is quite important to keep face 'in-group' so Thais tend not to show anger or be upset in front of others. Instead, they are smiling and often saying '*Mai Pen Rai*' (never mind in English). Nonetheless, he would rather adopt the role of a commercial

manager in order to justify the need to care and therefore scold the locals for their irresponsibility. In fact, this Japanese expatriate manager asked my concurrence by saying that:

The Japanese normally conduct '*Shita Gekire*' (giving a pep talk while scolding in English) to the young and inexperienced who are incapable of doing something, don't we? The Japanese tend to expect you (as a child) to change in the future, so training you, scolding you when you are wrong, advising you, or proposing you with some ideas...

This contrasts meanings of job delegation between the Japanese 'family' and Thai Buddhism. The Japanese 'family' prioritises the virtue of self-improvement as a burden of the Japanese 'family', while Thai Theravada Buddhism the virtue of self-acceptance is a religious merit. This Japanese expatriate is convinced that a manager should continuously encourage and supervise his subordinates regardless of whether or not they are capable, as Kondo (1990) strongly implies. This contrasts with the notion of Theravada, however, which prioritises accepting subordinates as they are and forgiving all the mistakes they make.

In this interview, I completely agreed with him because this echoes my personal working experience at Japanese MNCs. Japanese managers tend to feel 'obligated' to encourage and even to reprimand if necessary, their subordinates until they become competent. In fact, I was told by supervisors,

when at Japanese MNCs, to teach and care for freshmen in the workplace. This type of anger showed by Japanese expatriate is not interpreted as a negative but rather as a positive behaviour demonstrating care for one's employees. Indeed, the term of '*Shita Gekirei*' manifests what an ideal family should be: children are to be raised and trained by being given a pep talk and by being scolded whenever necessary.

These constellations of logics are formed very differently in other geographical locations, such as in JUSA, JEU and JTAIW. Here, job delegation tends to be viewed as job efficiency in order to achieve the self-interest of the manager who delegates, rather than as '*Shita Gekirei*' to nurture one's own kids as in JTHAI, conducts it. In JUSA, for instance, jobs are clearly delegated and separated between local employees. In particular, each field salesperson is assigned to different customers so there is little need to share or delegate jobs between local employees. In JTAIW, the situation is similar to that of JUSA, although there are conflicts between the Taiwanese employees when job delegation is necessary. The Japanese MD in JTAIW points out that "a job, whenever being shared, causes conflicts because the Taiwanese seem to feel that it is likely to be stolen by other sales, rather than delegated", manifesting the self-interest of the market logic.

Similarly, in JEU, job delegation is illustrated as the manifestation of self-interest (the market logic) in the corporation (the corporation logic), which would be against '*Shita Gekirei*' (the family logic) . A Belgian operator shares her job delegated by her Belgian manager when she joined JEU. Although she has never worked at Japanese MNCs before, the operator contrasts the way of

working of the Belgian and the current Japanese MD. She states:

In the beginning [a Belgian manager] was more controlling. Checking everything; which I can understand because you need to watch a lot of details in the Customer Service Department. He also gave us a bit of room but not so much as [Japanese MD] did... Also depending upon the problem and the personality of the boss, of course. [the manager] wants to protect his own thing and wants to control everything...

This comment implies a difference in job delegation between self-improvement and self-interest. Actually, the Belgian manager shares how he wants to treat his employees as follows:

So I really I try to... should I say... create somebody who can work independently without too much... I try to create somebody who can work independently... It's more maybe my way, not typically Japanese; I think more my way because I want him to learn things also. ... you can learn by yourself you remember better...I give him also targets and within these targets he can manage for himself... he has his freedom to work between the targets.

This echoes the job delegation he conducted for her in the past. It manifests the

self-interest of the manager in terms of delegating jobs in an economically efficient manner. He has worked at JEU for a long time, but not had working experience at Japanese MNCs before. The market logic enacted in job delegation constrains actors to efficiently delegate a job to their subordinates so that both can work independently for the manager's interest. This excludes sharing work enacting the family logic because job delegation involves only Belgium employees and is not directed by the Japanese MD.

Furthermore, in JTAIW, job delegation often causes conflicts between Taiwanese salespersons, manifesting the self-interest in the market logic. In practice, each salesperson often receives the same sales inquiry from the same customer. They seldom shared the types of sales inquiries on which they were working, leading to different salespersons proposing different prices for the same product to the same customer. A Japanese expatriate, calling this 'ridiculous practice', continues to describe what happened by delegating the job of deciding who to deal with each sales opportunity to his subordinates.

[Taiwanese sales persons] rarely share or coordinate their jobs with other colleagues... Then, all of sudden, a salesperson often comes to me and complains that other salespersons are trying to steal his sales opportunity. I replied to him by saying, ask and talk to them. If you sceptical about your inquiry, you had better ask! ... I don't mind who deals with each sales opportunity but the Taiwanese want to build an absolute rule of assigning each sales opportunity to an individual.

This is because “[Taiwanese salespersons] are always afraid of losing their job by delegating it to, and sharing it with, others” according to the comment of a Japanese expatriate. According to the Japanese expatriate, teamwork is quite hard to implement. This comes down to the extent to which job delegation manifests the self-interest of the salespersons in JTAIW.

Here, job delegation manifests different constellations of logics according to geographical locations. Job delegation in JTHAI, therefore, manifests a conflict between the ‘family’ and religion logics while that in JEU manifests managers’ self-interests enacted by the market logic without the enactment of the family logic. Furthermore, in JTAIW, it strongly manifests the market logic, with salespersons protecting their own sales inquiries. In job delegation across geographical locations, different constellations of logics are enacted on an ongoing basis.

7.3 Performance appraisal: Bonus, sales incentive and promotion

A bonus and sales incentive can contextually manifest the competitive relationships between Japanese ‘family’ (‘family) and self-interest (market) on an ongoing basis. Granted, constellations of logics are contextually enacted, conflicted, and contextually mediated on an ongoing basis. However, there is some distinction between Asia and the West. In Asia, a bonus rewards collective performance (i.e. the ‘family’ logic tends to be manifested) while, in the West, a sales incentive promotes individual performance (the market logic). Nonetheless, constellations of logics are not simply prefixed but contextually enacted on an

ongoing basis.

7.3.1 A bonus as a collective reward: Japanese 'family' in the corporation

In Asia, an equally distributed bonus is recognised as a collective reward for collective performance, enacting the Japanese reciprocal 'family' logic. In JTAIW and JTHAI where a bonus is adopted, sales performance is viewed not as an individual performance but a collective one. This logic conflicts with the market logic, however, with a strong demand for an individual bonus or salary increase from local employees.

Taiwanese salespersons in JTAIW, for example, tend to treat a bonus as a consequence of individual performance. They tend to argue for a greater bonus than that of others who, they think, performed less. For them, a bonus is expected to be distributed according to each salesperson's performance. In particular, in annual salary negotiation, this demand is put forward. A Taiwanese director explains the importance of individual salary:

... I am sales and considering only numbers. The reason why I care about profits and sales is to think about more salary and more incentive to change their life. How can we change life? That can be done by salary right? Wage, that is salary, right? If we make big numbers, that means that Taiwanese could get more salary. Japanese thinks about the benefit of Tokyo only.

This manifests sales performance as a consequence of individual self-interest (the market logic), not collective ('family'). Facing a strong demand from his Taiwanese employees, the director favours the importance of individual performance evaluation and a salary increase according to one's performance. A Taiwanese manager echoes the importance of salary by stating: "I created customers, and achieved big revenue, then I could negotiate an increase in salary with the boss. That is the American style. But in a Japanese company, I am not sure of if they accept it". This tendency to argue for a salary increase continues especially among Taiwanese local employees. A Taiwanese secretary summarises this demand through her observation as follows:

There are no Japanese management features here, such as loyalty and harmony... an individual Taiwanese salesman appeals his performance to his managers but the bonus amount is almost the same as others. Finally one's bonuses are the same as others, usually equal to several months' salary, so they are disappointed. This occurs over and over.

This observation illuminates a confrontation between the Japanese 'family' and the market logics. There is another Taiwanese director who has worked long at JTAIW. He rather accepts the existence of the 'family' norm by stating that "But a Japanese company is a family. Competition among employees is less than that

of an American company.... JTAIW is not Taiwanese but is Japanese because of its Japanese style". Then, he goes on to state the job security of Japanese companies because Japanese companies do not fire their employees but rather prefer long term and lifetime employment. For him, a bonus is a collective reward than individual reward. The competitive relationships are continuously formed 'over and over' in everyday practices within JTAIW.

This confrontation between the 'family' and market logics, however, is contextually mediated by the corporation logic where an ultimate authority in the corporation tends to be given to '*Laopan*' (president in English). Actual bonus negotiation is often escalated to the Japanese MD because Taiwanese tend to claim a salary increase directly to the Japanese MD over the heads of Taiwanese managers and directors. In the Taiwanese business, '*Laopan*' is believed to be the only decision-maker in the corporation. A Japanese expatriate comments that there is a societal effect of the corporation on Taiwanese employees by '*Laopan*' because, whatever it is, they tend to eventually follow what '*Laopan*' says and orders. In actual performance appraisal meetings with the Taiwanese claiming directly, Japanese MD asks "What do you think really contributes to achieving your sales quota? In other words, is your sales performance achieved solely by your own effort?". He then tends to go on to raise the possibility of other colleagues and experienced managers' helping to coordinate sales opportunities by communicating with the executives in the customer organisations. Finally, the Taiwanese concluded that his sales performance was not solely the result of his own efforts but rather the product of organisational efforts. Salespersons may be reluctantly convinced by this

argument but it causes them considerable displeasure. One Taiwanese local salesman who claimed an increase in salary in the past declared: “I had no choice but to accept his claim... he is the president” after performance appraisal. This manifests ongoing constellations of logics: the corporation logic mediates the market logic in Asia where the authority of *‘Laopan’* through the corporation logic is rooted.

Of course, performance appraisal does not always enact self-interest (the market logic). A Taiwanese director confessed that he could live with his own salary while admitting the fact that the young salespersons tend to put a request for salary increase. He clarifies:

Comparing with that of my co-workers in the previous workplace, this salary cannot be comparable. It is very poor. As a young salesman’s quote, this salary is too low comparing with foreign companies such as even Japanese... But my salary is enough given the fact that I have a house in Taipei city, a wife and a daughter without a house mortgage.

According to his situation with his family, the market logic does not enable him to pursue self-interest. Through daily interaction with his subordinates, this is continuously forming a competitive relationship between the ‘family’ and market logics in relation to the corporation logic.

For the Japanese, this competitive relationship between the ‘family and

market may look quite unusual. From the Japanese MD's point of view, this demand is unlikely to happen in Japan because of the importance of 'Wa', organisational harmony in English. He went on to say:

... this is a point of difference between the Japanese and Taiwanese ...
the Japanese, in general, will never insist on a salary increase in
comparison with others ...[paused]... well, at least, I have never done
this in my professional career ... because it would make me an egotist
going against 'Wa' (organizational harmony in English) from the point
of view of others [organisational members].

In the actual interview, after glancing at me, he added the conditional sentence "at least, I have never done [salary increase]". At the moment, I was bit embarrassed. He added the sentence since I was quiet in respect to his comment of "the Japanese, in general, will never insist on a salary increase". From his view, I am not quite in the category of 'Japanese' because I actually negotiated with the managers for salary requires in the past when in an American corporation in Japan. His comment raises the importance of 'Wa' in the Japanese 'family' in performance appraisal regardless of whether one performs better or worse than do others. The market logic based on self-interest sharply contrasts with Japanese 'family' as the corporation.

Likewise, there is a demand for salary increases among non-managerial Thai employees. Some young Thai salespersons tend to argue for an increase in

their individual salary, manifesting self-interest. Unlike the demand in JTAIW for the reward of individual performance, that of JTHAI suffices in exchange for new projects or new business. For instance, in new customer acquisition, Thai local employees tend to often question why they need to expand their business by doing something new. This type of salespersons would tend to leave JTHAI within a few years given the fact that its salary is relatively low compared to other Western companies. A Japanese expatriate describes:

[Thais] motivation is... money. Given revenue growth every year, [Thais] often ask me why it is bad to keep the status quo... [Thais] never understand, although I explained to them that, given the fact that market is growing, keeping the current amount of revenue means decreasing market share... in initiating a new project, they again ask me how they can be motivated ... then it boils down to money [sales incentive]...

In order to initiate something new, they end up asking for a salary and/or bonus increase as their motivation. A Thai manager illustrates this self-interest by stating: “no commission can be an issue because it is difficult to motivate sales managers without commissions... this may be a common issue at Japanese companies”. The fact that, in the past, one Thai director with a good amount of salary never did anything challenging is consistent with the contextual enactment of the market logic. He was so comfortable with a fixed salary that he

did not take proactive actions.

Notwithstanding this, this self-interest can be mediated by the enactment of the religion logic. Theravada Buddhism is actually enacted through an attempt to increase others' salary in order to solve the emerged competitive relationship between the 'family' and market logics. A Thai manager tends to insist on the increase of her subordinates' salary, instead of her salary. A Japanese expatriate shares this story:

There was a request that a Thai manager made for an increase in her men's salary while rejecting an increase in her pay, stating that her salary had been raised enough... She reasoned that her men had worked very hard for her...

This, albeit superficially looking 'family', sounds like self-sacrifice in order to do good in a religious context. He went on to connect this event to Theravada Buddhism. Unfortunately, I did not have the chance to interview her. Nonetheless, the manager is believed by the Japanese to have tried to gain religious merit for herself by sharing an increase in her salary with her men. Given the fact that she devotes herself to work in JTHAI by working late, another Thai manager characterises that 'she must deeply love JapanCo (JTHAI)'. This demonstrates the specific geographical location in Asia where Japanese 'family' is accepted and in turn amplified with the religion norm, such as Theravada Buddhism.

*7.3.2A sales incentive and promotion as an individual reward:
self-interest and seniority*

The constellations of logics in the West can sharply contrast with those of Asia. In JUSA and JEU, the market logic strongly manifests sales incentives as a means of achieving one's own self-interest on the basis of individual performance. Sales performance in JUSA is individually evaluated without connecting itself to corporate performance. Each customer is assigned to a respective salesperson so there is no space for salespersons to share collective sales goals and collaborate together. The Japanese VP understands that sales performance appraisals cannot be conducted without the number which reflects the amount of sales commission. So performance evaluation is based only on numbers. He explains:

It is all about [sales] numbers so I can't help but pay more [salary and sales commission] to the one who performs better [than agreed sales budget] because it will be trouble if he or she leaves [JUSA]... I cannot evaluate other than with [numbers]...

The strong sense of self-interest is absolute in order to retain talented salespersons. This is quite different from JTHAI and JTAIW where performance is measured in a corporate context.

This self-interest has to be achieved through a series of performance appraisals, even for engineers. It means that a high individual evaluation has to

directly lead to promotion; a salary increase in other words. A Japanese expatriate supports the view that American individuals are separated from the organisations to which they belong. He commented that “here [USA], it is quite common for people to change their jobs for a better salary”. In the past, he actually conducted a performance appraisal for an American engineer, giving a high evaluation and no change in salary. The engineer was confused and demotivated, and finally left JUSA. He went on to point out the individual aspect of salary separated from the corporate performance:

Japanese tend to say that you did perform well but our corporate did not. So, sorry to say, but the salary at this time is like this [no change] although I am evaluating you highly... Japanese will accept this but [Americans] here will not... nor will they be convinced of this... [they begin to ask] why don't you raise my salary although my performance was highly evaluated?... it leads to rather 'demotivation'...

In particular, this 'demotivation' seems to be quite common in Japanese MNCs in the US (e.g., Sumihara, 1999). This sharply contrasts with the case in Japan where people tend to stay in the same corporation that they first entered because of the loyalty that they have for the corporation. The Japanese expatriate simply commented that “here, people do care about the salary more than Japanese do”. In other words, individual performance is evaluated separately to that of the corporation. Even the salary of American local

salespersons could be twice that of the Japanese VP and American president according to a simple scale of sales incentive.

Unlike the market logic manifesting self-interest in JUSA, promotion in other subsidiaries in Asia and the West is closely associated with seniority (the corporation logic). For example, in JEU, there is a mixture of the market and 'family' logics. Here, sales incentives are planned to be replaced by a fixed salary in a current organisational change. The underlying assumption of this change is that "the salary scale is based on performance and seniority" according to a newly hired HR manager. She went on to imply that, although the salary needs to be raised when one performs better, salary and seniority in the corporation are to be balanced: "but we're not obliged to [raise salary], it's not a company rule or not a Belgium law if somebody is not performing well we can give him not a raise of his salary". In line with the same assumption, in JTHAI, there were Thai two directors recently promoted: the elder one is a Director and the younger an Assistant Director. Granted, a Thai HR manager comments that "age is not clear criteria... we do not have clear criteria seniority, not the length of service". In fact, there are also "some elders who work under supervision of the young" according to her. This promotion, however, is apparently the conventional notion of Japanese seniority to reward individual performance.

Likewise, promotion in JTAIW enacts a conventional notion of seniority and length of service (the corporation logic), thereby mediating self-interest (the market logic). A Japanese expatriate director describes that "Here in [Taiwan] where age is more concerned [than other] so the organisation where the young supervises the old does not really fit in". So he tends to hire and assign the

positions of managers and non-managerial employees in alignment with seniority.

He confessed the importance of seniority:

[People] have different jobs, different abilities, different ages, and different family structures, so I am sceptical if only numbers can be criteria [in performance appraisal]... I am by no means saying or intending to mean that Japanese seniority is good yet neither performance based salary nor sales incentive is compatible with our business...

His business is in building equipment which needs teamwork and a long term relationship with customers. A Japanese MD has a slightly different view of seniority which may actually be outweighed by the length of service according to payment claims from Taiwanese employees. He has heard of requests for salary increases on the basis of the length of service, not seniority. He shared a conversation with a Taiwanese manager regarding the performance appraisal of its salesman. He stated that "well, this man is already 32 year old and has kids so said why don't you raise his salary... but [the Taiwanese manager] told me it's irrelevant". For the Taiwanese, the corporation logic is implicated only in the length of service but for the Japanese it is implicated in seniority alongside Japanese 'family. This indicates that self-interest (the market logic) enacted by promotion is mediated by seniority and or the length of service (the corporation logic).

7.4 Socialisation: Intensive and minimum socialisations

Social occasions can enact competitive relationships between Japanese 'family' and market logics on an ongoing basis. There are meaningful distinctions between Asia and West. In Asian subsidiaries, such as JTHAI and JTAIW, the 'family' logic enables actors to have frequent formal and informal social occasions, forming a 'family' norm among members. In contrast, in the West, such as JEU and JUSA, there are few social events, which enable actors to treat themselves as independent professionals. Here, 'family' norm is little identified and even negated by actors. The geographical locations do not entirely determine the competitive relationships, however. There are competitive relationships between the logics enacted by actors in their contexts.

7.4.1 Intensive socialisation as opportunities for 'family' and religious merits

In Asia, regular corporate events manifest a reciprocal 'family' logic. In JTHAI and JTAIW, there are company parties and company trips. Either a yearly company party or a company trip is sponsored and conducted by both subsidiaries. In particular, in JTHAI, there are further events such as dinners and lunches, even gym workouts together. In the company parties, there are pieces of music, dance, and games played by Thai employees. Some even brought specific costumes. A Japanese expatriate mentions that "they all seem to enjoy the socials... some well prepared for pieces of dances, songs, and comedies... these [many socials] are quite common in Thailand". There is even a department

trip which is volunteered by each department members without the corporate support. In line with these socials, Thai employees tend to characterise themselves as 'family'. Japanese 'family' is strongly manifested in frequent formal and informal social occasions.

For the Japanese, these practices are all welcomed, being consistent with the 'family' logic operating in the JapanCo group. However, for the Thais, these events can be the moments when they not only build a father and his child relationship between a manager and ones subordinates but also gain religious merits for themselves. These can also be occasions when they can gain religious merits by letting the Japanese pay for all dinners or lunches. For instance, a Japanese expatriate from the engineering department often goes out for meals with Thai employees. He shows frustration by saying:

... I often went out for lunch and dinner with my subordinates (Thai employees) ... I have always paid for meals for the last few years but I have never ever been thanked by them ... NEVER! ... well, I do not mean to stop going out with them but sometimes I am strongly discouraged by this

This enacts the Theravada Buddhism merit, '*Tam bum*' in Thai, while superficially looking like a typical practice of Japanese management enacting the family logic. One of the reasons behind the apparently unthankful attitude of the Thais is closely associated with gaining religious merits on the basis that the

'haves' help the 'have-nots'. From the Thai's view, Japanese' behaviour in treating them to meals look like that of gaining a religious merit, helping others, and they therefore responding by not offering thanks. Agreeing with this religious behaviour that the researcher had pointed out in the interview, another Japanese manager argue that some Thais showed a thankful attitude to him after paying for their dinner. He shows:

[Because of Buddhism, no thanks from a Thai] is quite normal but that also depends on his personality. My engineers sometime say "Thank you" to me when I take them out for lunch.

He normally pays for all the lunch and dinner with Thai employees. He explains that, when Thais go out for lunch or dinner, the richest in the group has to pay for all the meals. A Japanese expatriate describes this in Thailand as "a religious culture where one who has more money than the others should pay all". However, another Japanese expatriate shares some exceptional experience when going out for lunch with Thai. He describes:

One time, when I dined out for lunch with one Thai who had just been promoted, I was told that 'You do not need to take a bill today because I am promoted so I will pay for this, Thank you'. So it depends on ones' moral position and etiquette. It further depends on if one can greet me when entering and leaving the office.

This conflicting interpretation demonstrates that the practices superficially manifest 'family' but actually the religion logic, especially the importance of gaining religious merits in Theravada Buddhism. This supports the contention that it is actors who make competitive relationships between logics (Smets and Jarzabkowski, 2013). In this case, this religion logic may operate with the family in a distinctive manner. Even in social events, a small distinction between the family and religion logics often suffices.

This intensive socialisation enacting the family and religion logics is questioned by the Japanese president who asks if this is economically efficient. It often involves not only local employees but also several contacts of Japanese customers, thus incurring a hefty bill. The current Japanese president claims that:

[Dinners] with the customers are fine. But what are these for? If it were for information exchange, [a Thai manager] should not have called a gorgeous dinner, inviting 7-8 persons from the customers and 3-4 persons from us, spending a large amount of money on it... What is the purpose of it? It was just for eat and drink. He was just asked a dinner by a customer... Hey, you as a manager, think! He, as a leader, needs to see always balance [between its purpose and actions]

This comment shows the president's concern about economic efficiency in

socialisation. By contrast, Thai local managers simply organise dinners for benevolence to the Japanese customers while the Japanese president evaluates the efficiency return on investment by having dinners. These different interpretations in socialisation are a vivid example of competitive relationships between the 'family', religion and market logics.

The Japanese 'family' logic enacted by intensive socialisation can be connected to actors' daily work. There is an instrumental aspect of the Japanese 'family' logic for economic efficiency. Certainly, a Thai director purposefully builds and uses the concept of 'family' in order to get his subordinates to take on some work for which they are not formally responsible. In order to deal with an overwhelming number of sales inquiries, he tries to share sales jobs with other sales support teams who are not responsible for these inquiries. In a sense, he finds an opportunity to utilise this notion of family for his own economic benefit and strategically uses the concept of family in order to execute job efficiency. He states:

If some claim that this is not my job, then I have nothing to say. But a family relationship helps others to collaborate beyond their job descriptions. The job description is just a paper to know basic responsibilities. Then, the family could help with others.

For him, maintaining a family-like relationship is a means to achieve the aim of sharing jobs efficiently and effectively for Japanese customers. He purposefully

creates and intentionally uses the family atmosphere in order to assign a job flexibly by communicating in a friendly manner with his subordinates. He went on to explain that “In order to set up intimate family relationship, I use informal and casual languages to my subordinates as to my brothers and sisters. For others outside of the division, I use more formal language. With this family-like relationship, my subordinates casually come to consult me”. In fact, by perceiving his communication style, some corporate staff describes his team, building automation as very much ‘Japanese one’; which seems to directly belong to JHQ, not to JTHAI. This instrumental aspect of the family relationship is reinforced in everyday practices through the language that is used in everyday practice.

7.4.2 Minimum socialisation as opportunity for maintaining independent professionals

In the other subsidiaries, the Japanese ‘family’ norm, as previously reviewed, is rarely identified and even strongly denied by actors through few social events. Instead, independent economic professional relationships are implicated in social events in the remaining subsidiaries. In particular, in JUSA, there are very few social events. A few social events enact the norm of self-interest to keep professional relationships among employees to bare minimum. A female sales support describes its norm as “very professional” which echoes the comment by an American director who characterise JUSA as ‘American company’. She then went on to say: “[other employees] and myself actually go across the street at lunch hour and work out together so we try to keep it social as well so we’re not

always trying to kill each other". After being asked if there is 'family' norm in social events, she is dead against the existence of 'family' as in JTHAI and went on to claim that:

No it's not like a family here. I will put my 40 hours in. I will work my 8-5 and I will do everything I can to my best while I'm here, 5 o'clock I'm out that door, bye bye. Don't call me. I don't stay. I come in early maybe 15, 20 minutes but I can get a lot done while the phones are not ringing and if I don't get everything done I will stay later to make sure everything is accomplished for that day, but I don't feel like it's a family at all no... I would say it's quite professional.

Here, the market logic, commoditising work time as price, is strongly manifested among local employees and in social events. This concept of investment and return echoes other American employees who characterise social events as 'professional' to smooth interpersonal relationship, not for creating or maintaining 'family' relationship.

Notwithstanding this, there is another view which promotes social events, indirectly implicating the Japanese 'family'. By admitting the fact of a few socials, an American VP expresses his feeling about socialisation in JUSA in comparison with that of the Japanese MNC in which he used to work. He describes:

Not enough, in my opinion... Not like in Japan. For example, when I

go to [another office] California , you know, I always just ask and I will always go out, you know, lunch or some dinner or something, some place, because that is quite common for us and we will have some discussion, but me and my President, never.

Then, he confesses that the American president tends to always decline his invitation for meals so he never had a chance to go out the president. Indeed, there are no company trips or dinner except for a Christmas party.

Similarly, in JEU, there are now more social events which tend to enact economic efficiency (the market logic) through professional relationships. In the past, lay-offs occurred and a corporate norm here is not collaborative. Members do not trust each other, especially the former Japanese MD. He was actually treated as 'an enemy' by locals due to the fact that he conducted restructuring in a bad way. In previous social events, none of the locals wanted to be seated next to him. Now there is a new Japanese MD company meetings are conducted in a friendly atmosphere once again, according to the interviews. A Belgium sales lady states:

We have every two months, we have our company meeting and then it's two days and then on ... then of course we have lunch together and then one evening we always go out to have dinner together.

A Belgium director also explains the recent transition from the previous to the

current Japanese MD:

I think the social events are much more because with Mr [the previous Japanese president] there were nearly no social events so I think Mr [the current Japanese president] is getting more like social events but I think that building a team or doing some team building activities are really necessary for the company because it is still not a fully complete team. It's still quite isolated. It's much better than two years ago but I think there's still a lot to do.

So these social events are now used to build JEU as a team. In line with JUSA, interpersonal relationships in social events in JEU are actually 'professional'. Furthermore, a Belgian manager describes a Friday lunch, which was a newly organised social event by saying that:

let's say, 10 people at lunchtime, we sit all together and we eat together. Then we can speak, okay how's your family, how's your kids, how's your dog, how's your weekend, how was the soccer game, how's the weather. You speak of everything. So we already set every Friday we are going for a takeout, Chinese, Japanese, Taiwanese, French Fries, Pizza or whatever, but we sit together and we eat. It's no obligation. People say, no, we don't want to, no problem, ... so we are building up an extra relationship besides work.

Despite the fact of these social events, unlike those in JTHAI, the Belgian employees rarely admit 'family' but rather emphasise 'an extra relationship' in addition to 'professional' work. However, these events in JEU are not 'the backstage politics' as discussed in Ybema and Byun (2012) according to the informants in JEU. These comments sharply contrast with those in the previous sub-section which demonstrate Japanese 'family' mediated by Thai religion, Theravada Buddhism. In these social events, Japanese 'family' is rarely enacted in the geographical locations of the West.

Likewise, the professional relationship is emphasised in terms of the market logic in JTAIW. Although there are social events like company parties and trips, Taiwanese tend to limit socialisation to a bare minimum. For instance, despite formal social events, company trips and parties, there seem to be few informal social events. A Taiwanese manager states:

Social events such as dinners and lunches are not frequent: once in two or three months. Other members know my family but I do not know others through company trips. There are not many chances.

Many of the local employees characterise the relationship among them as predominantly professional with few informal social events. A female administrator in JTAIW supports the few socials by saying that "[JTAIW] is professional... we go out for a dinner about once a year... I go out as my

department group [once a year] but not informally [for developing my private relationship]”. This may relate to the Chinese ‘family’ logic which locates their group of ‘family’ stake holders outside the corporation. Their social group does not overlap with the members of the corporation. This indicates ongoing constellations of logics which are reinforced in everyday practices.

7.5 Discussions and conclusion

The purpose of this chapter was to understand how the contested practices in work and employment are interpreted through low compatibility and high centrality in logics (Besharov and Smith, 2014). There is a finding identified in this chapter: the constellations of logics are ongoing and continuously formed in relation to geographical locations. This provides a dynamic view of situated logics and culture in different cultural and national contexts, which has hitherto been described only rarely (e.g., Värlander et al., 2016; McPherson and Sauder, 2013). For example, both bonus and sales incentives enact multiple logics, continuously forming constellations of logics. In promotion in JTHAI, self-interest (the market) is emphasised by Taiwanese while mediated by the corporation logic in Taiwanese ‘*Laopan*’ (see 7.3.2). As another instance, in JTHAI, Japanese ‘family’ enacted by Thais asserting that ‘we are family’, conflicts with Theravada Buddhism at bill payment (see 7.4.1). In addition, it conflicts with the market efficiency expected by Japanese MD. This low compatibility in logics, which Besharov and Smith (2014) define as ‘contradictory prescriptions for action’, is not stable but dynamically constructed through the negotiation and conflict constantly played out by actors. This rather supports their concern

expressed in their discussion of their framework that distinctions between the ideal four types of organisations may not be clearly bounded because subunits of organisations may have different types of multiplicity logics.

In a broad sense, the finding that the constellations of logics are, to some extent, different in Asia and the West advances the work of Värlander et al. (2016), demonstrating that each practice manifests different constellations of logics in each national context, China, India and the US. Värlander et al. (2016) illuminate that the constellations of logics are somewhat due to geographical locations, being consistent with the geographical communities in which specific logics are rooted (Marquis and Lounsbury, 2007; Lounsbury, 2007). This chapter also shows the specificity of logics rooted in geographical locations. In Asia, the 'family' logic is enacted through the practices of employment. In JTHAI and JTAIW, actors tend to treat bonuses as a collective reward (see 7.3.1), prioritising group performance over individual. In particular, a Thai manager insists on an increase in salary for her men by stating that her salary is raised enough, enacting the religious merit of Theravada Buddhism. Social events are quite active and there are even company trips and parties (see 7.4.1). This echoes the work of Abo (2015) who argues for geographical locations that may influence Japanese management practices. By contrast, in the West, the market logic is strongly enacted by performance appraisal and socialisation (see 7.3.2). Sales incentives and promotion are interpreted as individual rewards while no bonus is adopted. There are very few social events (see 7.4.2), thus professionals' relationships are kept to a bare minimum, rather than building a 'family' norm as in JTHAI. As a series of scholars (e.g., Värlander et al., 2016;

Abo, 2015; and Lounsbury, 2007) point out, the constellations of logics differ according to each geographical location.

This does not mean that the geographical locations in Asia and the West automatically determine the constellations of logics, however. This is because how actors enact logics differs in their contexts 'on the ground' (McPherson and Sauder, 2013) through interaction and negotiations within themselves. In JTAIW, despite company trips and parties, there seem to be very few informal social events: Taiwanese tend not to go out together as in JTHAI. In JTHAI, some Thai employees make an effort to argue for salary increases when assigned a job of sales development, acquiring new customers or projects. Furthermore, the American director, who had worked at large Japanese automotive manufacturers, insists that JUSA is "an American company' now, but however is going to be Japanese company". Actors' willingness is also considered in terms of the enactments of logics in their contexts. This provides a dynamic view of how logics are enacted through actors' negotiation within practices, thereby bringing about a multi-level analysis within practices, rather than either a macro level or micro level institutional analysis (e.g., McPherson and Sauder, 2013; Värlander et al., 2016).

This dynamic view of logics and culture directly responds to Giorgi et al.'s (2015) call for 'contextual embeddedness', closely examining contexts and culture. Cultural meanings of logics are not given but situated by actors in their organisational culture. Here, actors are situated in their contexts, so some see opportunities while others see constraints within the same practices on an ongoing basis. In terms of job delegation, Thai employees, for instance, tend to

find opportunities to engage with the religion logic when pursuing sales opportunities with Japanese expatriates. This also corresponds to the recent call for “situated cultural beliefs, norms and behaviours that reflect particular areas of life” (Giorgi et al., 2015, p36) by showing how actors enact logics through practices in different national contexts. Thus, actors in their contexts are deeply associated with the enactment of competitive logics, but the geographical locations do not determine the relationships between them as the situatedness of actors is discussed (e.g., Delbridge and Edwards, 2013; Smets and Jarzabkowski, 2013). These practices can be due to ‘both intentional and unintentional outcomes’ in the ‘everyday getting by of individuals’ (Lawrence et al., 2011). After all, the contested practices are treated as a dynamic and ongoing process of enacting constellations of logics situated in organisational as well as international contexts ‘on the ground’ (McPherson and Sauder, 2013).

Chapter 8: Estranged Practices in Work Organisation: Ceremonial Aspects

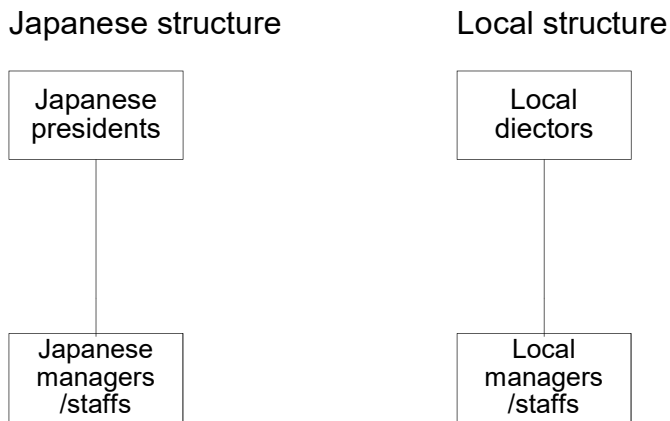
8.1 Introduction

This chapter aims to understand how the estranged practices in work organisations communicating with JHQ are interpreted through ceremonial aspects and how actors in turn are organised in terms of low compatibility and low centrality in logics. It also corresponds primarily, but not exclusively, to the third research question of how Japanese and locals are organised, in addition to the cultural meanings of practices (see 2.4). The chapter is organised into four sections. First, communication about expatriate evaluation is reviewed. Second, communication about business results is demonstrated. Third, communication about locals' complaints is presented. In a summarising section, the boundaries of organisational communities are not 'segmented' to Japanese expatriates but constructed through actors' profiles.

8.2 Communicating expatriate evaluation: Separated organisational communities of Japanese expatriates

Communication about expatriate evaluation manifests the corporation logic in terms of the organisational hierarchy of Japanese expatriates in their separation from local employees. The performance of Japanese expatriates is evaluated on the basis of JHQ's view, not the subsidiaries' view. Furthermore, in all the subsidiaries, the performance of Japanese expatriate managers, regardless of whether or not they are formally under a top Japanese expatriate in their site, is set and evaluated by a top ranked Japanese expatriate in each subsidiary.

Figure 23: The organisational structures for Japanese and locals



Their formal organisational charts simply show who does what in each organisation, but not who manages and assesses what. The only exception is JEU where there is no Japanese expatriate except the Japanese MD. This causes ‘two management structures’ (Elger and Smith, 2005) in the subsidiaries. Two structures also allow the ‘family’ norm to be bounded to Japanese organisational communities.

This ceremonial aspect emerges from a tension between the organisational hierarchy (the corporation logic) and an in group of ‘family’ (the ‘family’ logic). For Japanese expatriate managers, their real bosses are not local director employees, albeit some are supposed to report to their local directors in their formal organisational charts. All the Japanese expatriate managers are controlled and managed by a top ranked Japanese expatriate in their site, regardless of whether or not they are directly underneath him in the formal organisational chart. A Japanese VP in JUSA claims that there is complete separation between Japanese and locals by saying “there are five Japanese

expatriates including me in the US ... I am the only one who evaluates the performance of them ... the American president does not“. The titles of the other Japanese expatriate who the Japanese VP has to manage range from managers to non-managerial expatriates. In brief, the formal organisational charts do not exactly reflect the positions of Japanese expatriates, and therefore can be seen as ceremonial. This rather elaborates the divide between Japanese and locals as an export of the two-tier system in Japan, of core and peripheral employees (*seishain* and non-*seishain* in Japanese) (Kopp, 1999).

This separation between Japanese and locals is closely associated with the term ‘localisation’ which is firmly believed by Japanese expatriates to be an economically efficient institutionalised rule. That is, each business in the overseas market should be developed and managed by local employees. There is no policy which explicitly articulates localisation. Neither is it measured or evaluated by JHQ or its subsidiaries as the formal organisational goal. Nonetheless, many Japanese expatriates take localisation for granted as the ideal picture in each subsidiary. Granted, a Japanese director in JTAIW picks up the comment which he has received from JHQ, saying that “What Japan [JHQ] is always saying is that Japanese jobs [by Japanese customers locally] will not last forever so it will be hopeless unless we expand the businesses to local customers in the future”. Thus, he has been pressed by JHQ to develop local non-Japanese customers and localise the management team to support the local customers in the future. Indeed, a Japanese MD in JTAIW, conforming to the institutionalised rule of localisation, asserts that his primary role is “to identify and train a next local leader” although nobody at JHQ actually articulates this

role explicitly. This pressure from JHQ, however, enables localisation to be institutionalised and eventually to function as a rationalised myth (Meyer and Rowan, 1977).

Furthermore, there is a structural divide between Japanese expatriates' performance and their subsidiaries' performance. Japanese expatriates' salary and bonus are evaluated in line with JapanCo group's performance separate from their subsidiaries' performance. Furthermore, a Japanese expatriate, the president of JTAIW, adds that his performance and bonus are not linked to the performance in Taiwan. He confesses:

Unfortunately, my salary is not connected to business performance here ... I submit my performance assessment sheet to the headquarters including the total performance of this subsidiary ... but the assessment of the bonus, the amount of the bonus is based on the performance of JapanCo as a whole, according to the consolidated financial performance of JapanCo group... it is not related to the performance of JTAIW ...

The salary of Japanese expatriates is basically being provided from the pocket of JHQ, not that of the subsidiary. He sees this as a problem, potentially making Japanese expatriates not responsible for local performance. His bonus would go up when JapanCo group's performance is good, and go down when bad. In this process of assessment, they are supposed to be evaluated by the top ranked

Japanese expatriate in each site despite their titles and positions. Because of this evaluation system, Japanese expatriates are expected to work for, not local business, but the top Japanese expatriate in each site. The line of assessment is invisible yet recognised by local employees. A local employee tends to say that “[a Japanese expatriate] is different from local ... he is from Japan”. Assessments by the top Japanese expatriate in each site go back to the companies, the divisions who are responsible for these expatriate managers. This strongly echoes the centralised decision making in Japanese MNCs pointed out by Westney (1987; 1999).

Granted, the way of assessing the performance of Japanese expatriates derives from the company’s strong focus on the domestic market in Japan. JapanCo group has still only 10% of total revenue from overseas market, being in the initial stage of internationalization. In actual expatriate evaluation, Japanese expatriates are likely to be aligned with and compared to other Japanese managers working in Japan, despite the fact that the business environments between Japan and overseas are fundamentally different. That is, Japanese expatriates cannot be promoted on the basis of their performance but only relative to other managers’ performance in Japan. This may give a disadvantage to Japanese expatriate managers by limiting their opportunities for promotion. A Japanese director in Taiwan illustrates how difficult Japanese expatriates can find it to be promoted as a manager while in overseas subsidiaries, commenting:

For example, a subsidiary wants me to be promoted as a manager,

and gives me a good mark ... at the headquarters, the company in Japan gets candidate managers lined up in front and then may say, this man is not really as good as others so he needs to wait [to become a manager] ... in this sense, the division decides when I can become a manager ... it has a full authority in respect to personnel affairs across Japan and overseas, and even of where it can allocate and assign managers ...

This central authority in JHQ creates a divide between Japanese expatriates and local employees. Most Japanese expatriate managers who are dispatched from the division of the in-house company in JHQ are entitled to be promoted in line with other managers by the division in Japan. Furthermore, Japanese expatriates are temporary managers who are supposed to be transferred to somewhere normally every few years or 5-6 years at a maximum. This strong focus on the authority of JHQ highlights the dominant yet separated positions of Japanese expatriates (Kopp, 1999). The domestic market oriented view underlies the expatriate evaluation system and in turn there are two management structures for Japanese and local communities.

In addition to the performance evaluation of Japanese expatriates separate from that of their subsidiaries, their perceived limitations in understanding local culture and customs parallel two management structures. One of the largest barriers which many Japanese expatriates agree about is language. Across all the four subsidiaries, local languages are very different from Japanese, the first language of all the Japanese expatriates. The Japanese

VP in JUSA claims that Japanese could not understand American thoroughly because of cultural and linguistic differences. He comments that “having said cultural differences, I think that we Japanese have difficulties understanding everything American think”. He firmly believes that the languages, cultures, conditions where Japanese and American are born and raised are fundamentally different and the gaps between them, therefore, cannot easily be filled.

Actors’ interpretations go along with Japanese communities in two management structures. A Japanese expatriate in JTHAI is also very aware of these two structures and intentionally keeps a distance from local employees, drawing the boundary of ‘family’ with only Japanese. As a leader developing Japanese customers in Thailand, he continues to locate himself as a role model for local employees by separating himself from the locals. He implies two distinctive groups of actors, Japanese and locals by commenting

Personally, I try not to get along with local employees too much ... I do not mind that Japanese get along together ...because I want to form the impression that Japanese do work hard I am also close to management positions ... if I am so friendly with locals, others might see me, I think, as no good ...

The sense of becoming a role model for local employees remains stronger in Thailand where many Japanese customers demand a leadership role for

Japanese expatriates. The Japanese expatriates become organisational communities spanning boundaries between their subsidiaries, JHQ, and, if any, Japanese customers.

Indeed Japanese expatriates are considered as separated organisational communities from their subsidiaries by local employees. A Taiwanese secretary at JTAIW makes a remark implying the cultural hierarchy behind communication with JHQ. She states:

I have been to JHQ several times. At JHQ, Japanese seem to believe only Japanese. In exchanging emails, although I am the contact person, JHQ rather comes in contact with my [Japanese] director via email. It passes through me.

Communicating with only Japanese between JHQ and their subsidiaries reinforces two management structures. The trusted relationship only among Japanese echoes Japanese organisational communities reinforced by their particular HR system, benefits and cultural understanding of Japan. Furthermore, the comment of the American president echoes these trusted relationships between Japanese. He states:

Having seen reports [of JapanCo group]... that I have seen within JapanCo, at this point still, is that local staff were, I've even seen it reported on some forms, they call employees at the subsidiaries local

stuff. I'm sure they meant local staff and the translation was wrong, but I've seen things where JapanCo employees were almost not considered part of the JapanCo group... It just gives the impression that either we're not trusted or it's kind of difficult to explain.

This articulation of 'stuff', albeit miswritten, manifests mental separation between Japanese and locals. He did not forget to remind me of correct phrases of local stuff: "I think it should be JapanCo Group Employee". This strongly implies not only structural but also mental separation between Japanese expatriates and local employees.

This separation between Japanese and locals is quite consistent across all the subsidiaries. Upon reflection, it is true that I, as a researcher, go out for lunches and dinners while in the various sites but never had these with local employees. It seems that Japanese expatriates get along with only Japanese, and are separated from local employees. In a sense, the 'family' norm does not prevail in the same manner for Japanese and locals. This supports the comment of Kopp (1999), who asserts that this divide sounds like the exportation of the two-tier HRM system in Japan between *seishain* and non-*seishain*, core and peripheral Japanese employees. In Japan, core employees are in a permanent contract and thus receive long term benefits, such as lifetime and long term employment, seniority based compensation, and high investment in trainings, while peripheral employees are on a temporary contract and thus gain little benefits. Likewise this is replicated between Japanese expatriates and local employees: Japanese are *seishain* while local employees are non-*seishain*. My

initial hunch on this division was actually confirmed as in next two sections.

8.3 Communicating business results: Contested boundaries of organisational communities

Communication about business results manifests actors' interpretations of the corporation logic with other logics, making work organisation ceremonial. Localisation as the institutionalised rule is well adopted in JUSA in terms of an American being appointed as the president. Unlike JUSA, however, the remaining subsidiaries, such as JTHAI, JTAIW and JEU are not yet localised and thus managed by the group of Japanese expatriates. There is no official chance for local employees to be involved with communicating business results with JHQ, bringing about the manifestation of the corporation logic.

For example, in JEU, there is only one Japanese expatriate, the managing director, and the rest are the local employees, his subordinates. Both Japanese and the locals are expected to communicate business results. Indeed communicating with JHQ is not easy because of their cultural and social differences. A Belgian manager, who often communicates their products and services with JHQ, characterises the relationship between JapanCo and JEU as two different corporations by saying "we are two different worlds, almost two different companies". According to him, slow communication with JHQ seems like "every day they need to take a bottle, put a paper on it and throw it". This is mainly due to cultural and organisational differences between both companies where Japan is much larger than JEU. He continues to explain:

I said if you look to JapanCo in Japan, it is like a big ocean steamer, big boat, big ship and you are on the ocean and storm or wind if you are such a big boat, you don't feel it. That's JapanCo (JHQ). But there's a small, tiny boat, even a rubber boat, you have to blow up yourself, with only two small guys, that's JEU.

It is important for JEU to make JapanCo hear them. Despite the cultural and organisational distance, communication with JHQ is enhanced in JEU: the Japanese managing director, unlike the previous one who formally ordered the locals 'not to annoy Japanese' in JHQ, proactively delegates the role of communicating with JHQ. At first sight, this contradicts the work of Ybema and Byun (2012) and Sedgwick (2007) who assert the organisational boundaries of Japanese expatriates as excluding non-Japanese, European employees. This is why French managers were pressured to be either active 'cultural brokers' between French and Japanese expatriates or simply non-participants in communicating with Japanese expatriates (Sedgwick, 2007). In the case of JEU, however, this communication with JHQ is always checked and monitored by the Japanese MD, saying that "communicating in a right manner" including right contents and contacts to get the message from the local employees across within JHQ.

In JTAIW, however, only a Japanese MD is formally entitled to communicate business results. Not only does this bring organisational hierarchy (the corporation logic), but it underpins self-interest (the market logic). He intentionally manages double management objectives, meaning one objective

for JHQ and the other for his local employees. He explains how this works by saying:

Sales quota to which I committed with JHQ is my promise, not employees. Very often do I have to accept unreasonable sales objective by JHQ which is almost impossible to achieve. ... this is totally irrelevant for them so I have two sales objectives for JHQ and my [Taiwanese] employees and always adjusts both numbers according to business situation.

This means that he has two commitments for both JHQ and his employees with the same sales activities. As an example of unreasonably given sales objective, JHQ said to him in the meeting: "this year, the Malaysian subsidiary is not doing well and thus will not reach their objective, so why don't you [MD in JEU] increase your sales objective by three million JPY". He emphasises this kind of sales objective as meaningless for local employees who are basically responsible for the Taiwanese market only. This manifests both self-interest (the market logic) as well as organisational hierarchy (the corporation logic).

In JUSA, however, localisation becomes a rationalised myth in the sense that the contact person in charge with communicating with JHQ is not the American president but the Japanese VP. The Japanese VP made a remark on the odd roles and responsibilities between him and American president, insisting that he needs to be responsible for reporting to JHQ:

The reasons why a local president is assigned [JUSA] is to build and sustain local business adapting it to local regulations ... so there is a local president, but from the views of the headquarters I become the president who is accountable for all the businesses here ... so this has nothing to do with formal organizational chart ...who is responsible for reporting local businesses to the headquarters is me ...

It sounds as if the American president is superficially in charge and, nonetheless, the Japanese VP is essentially in charge of managing the local business in the US. Localisation here functions as a rationalised myth that locals need to be top managers even if they are not capable of communicating in Japanese well.

Actors' linguistic skills of communicating in Japanese are required in communication with JHQ. For example, the Japanese VP, albeit not the top, has far better access to, connection to, and knowledge of JHQ than the American president does. The Japanese VP discloses the form of communication with the headquarters:

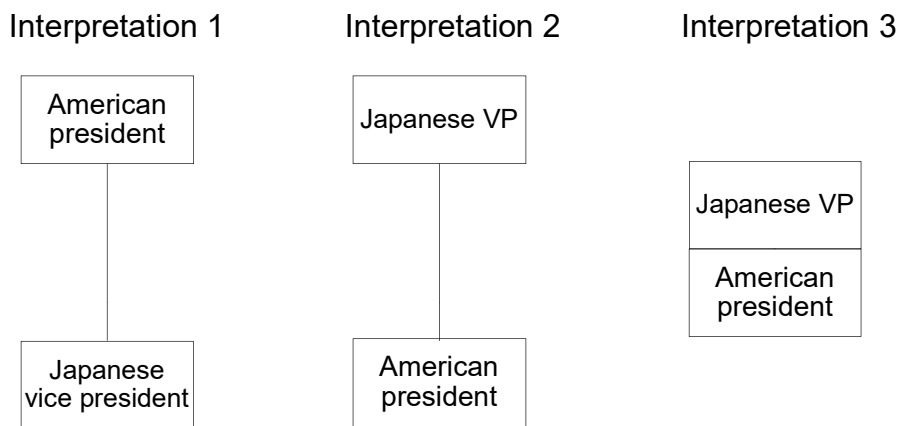
There is much information from Japan which does not actually come to [the American president] ... in a nutshell it is all Japanese [language] ... personnel affairs, requests to write management reports, customer information, strategic information from sales and marketing

departments, and newly appointed executives and directors in Japan
... this information will not reach him unless I translate it into English
... it will not be communicated to him [until it is translated] ...

In practice, the American president owns the managerial information far less than the Japanese VP does, because all the incoming information from Japan is usually articulated in Japanese. This makes the American president totally powerless and just a ceremonial president. This highlights ethnocentric features, as Westney (1987; 1999) points out, in which Japanese expatriates tend to be dominant in decision-making in their subsidiaries. The Japanese VP actively gets the American president involved in this variety of information from JHQ by translating it into English to facilitate 'active participation' (Kondo, 1990) from the American president.

Despite the fact that "the American president is incapable", as they say, of doing management jobs except for finance, both Japanese and American actors tend to share the collective responsibility as a feature of 'family' members, thus maintaining this ceremonial organisational structure (the corporation logic). There are three interpretations of the position of Japanese expatriates, therefore.

Figure 24: Three interpretations of the positions of the Japanese expatriate



Interpretation 1 is based on the formal organisational structure: the Japanese VP underneath the American president. Interpretation 2 reflects the JHQ's perspective: the point of contact at JUSA is the Japanese VP, not the American president. Indeed, the American president constantly needs help from the Japanese VP in order to communicate with JHQ. Interpretation 3 recognises that the Japanese and American leaders have to collaborate together. The Japanese and American act as a pair in communicating with JHQ; although the Japanese VP has more access to JHQ. This is not quite economically efficient but is, at least, consistent with the current organisational hierarchy. Both actors are considered to share the same responsibility.

A good illustration of interpretation 3 is the country managers' meeting at JHQ, at Tokyo, Japan. All the country managers and all the presidents get together quarterly at JHQ in order to formally report on their business. In the case of JUSA, a pair of American and Japanese leaders attends this quarterly presentation. The Japanese VP lets the American president present in the meeting the materials which he created. In a sense, in communicating with JHQ,

the American president turns into a ceremonial person who makes the formal presentation only but does not know its contents. The fact that the American president cannot speak Japanese at all or understand what the business is about enforces his position as ceremonial. In the formal organisational chart, it is obvious that the American president is at the top and the Japanese VP is located right underneath the president (see 5.3.4.2).

The ceremonial aspects constructed by localisation as a rationalised myth are also due to actors' interpretation of a hierarchy (corporation) in their minds between Japan and the West. While admitting that the position of the American president is ceremonial in JUSA, the Japanese VP emphasised that this structure has considerable benefits in terms of its functionality and impression. This supports the culturally interpreted hierarchy in his mind between the Americans and the Japanese, meaning that the American is superior to the Japanese.

In America... given the categories West and Asia, the Japanese are underneath the Americans [the US]... for sure, we are underneath so it would cause conflicts when Japanese try to take a leadership role, however, it would go well when an American is assigned as a leader... this does not mean I let him do whatever he wants. Therefore, I always need to remind him about JapanCo's business and how to coordinate with others and to report to JHQ... [Behind the American] I still need to coordinate with surrounding activities in order to receive all the necessary information.

This indicates the Japanese cultural interpretation of Americans which have historically been established by the relationships between the US and Japan. Here, he rather utilises the idea of American leadership in the formal organisational chart but, in practice, he plays a central role in coordinating resources and communicating with JHQ. In line with this cultural interpretation, as well as functional necessity, both actors actively share collective responsibility and in turn collaborate with each other and keep this ceremonial structure.

This ceremonial aspect may be deeply associated with the notion of the West in Japanese minds. For Japanese expatriates, the Western regions, including Europe, are more respected than Japan, possibly generating a different response to the local employees. A Japanese expatriate MD who used to work in Asia and Europe shares his impression about the cultural hierarchy between Japan, Asia, and the West. Reflecting upon his appointment of a director at JEU, he comments that:

I did not think that European have ears to listen to a stranger coming from Asia. It was surprising to hear that some Europeans seem to believe that Europe is the centre of the world! [Laugh] Indeed, they do have rich history, industrial civilisation, intellectual culture, and pride ... they are superior to us, indeed. It would be good to facilitate business environments and motivate them to work as a team rather than to command and control them”

During his tenancy, he tends to delegate his authority as much as possible to European employees. This strongly echoes the current Japanese MD in JEU who comments that “Europe has historically been above us [Japan]”. This also echoes the comment of the Japanese VP in JUSA saying that “given the categories the West and Asia, the Japanese are underneath the Americans”.

This notion of sharing the same work and thus responsibilities is evident when communicating with JHQ. In practice, the ceremonial aspects are mediated by the Japanese ‘family’ logic which enables actors to share the same responsibilities. The current Japanese VP clarifies that both the American president and himself share the same responsibilities in the profits and losses of the business by saying that:

[our] responsibilities, a very difficult term to explain ... it is obvious that a president is accountable for its businesses ... the American president, of course, needs to report the business performance to Japan on a formal report line ... but when it comes to the contents of the businesses ... when you look at numbers, the numbers are just numbers and will not tell more than the numbers ... I [as the VP] writes its contents [behind the numbers] ... which types of customers were approached and what types of businesses were acquired, why these projected numbers turned into actual figures...

This indicates sharing the same responsibilities to sustain and eventually mediate the ceremonial aspect. This structure does not only rest on a linguistic problem that the American president could not understand Japanese, but also depends on his limited knowledge and experience of business. As a result, the collective responsibility and authority are shared by the American and the Japanese. In fact, the Japanese VP has extensive experience at JapanCo group: He began his career with JapanCo in Japan, and has a well-developed network within JapanCo group due to his career around twenty years. This manifests the extended boundaries of 'family' members on the assumption that the American president actively participates in 'family' matters.

In communicating business results with JHQ, the American president often ends up lacking responsibility, although he is held accountable. As a collaborator, the Japanese VP actively supports the formal position of the American president by playing a leadership role in communicating with JHQ. During the meetings, he complained to the Japanese VP that "this is not something I made though" during the presentation. The Japanese VP is quite unhappy with this comment by claiming that "that is not right". He reveals:

That is not right... that's why I sent him the presentation deck in advance by telling him, please present it, and let me know if you are happy with it or not... you present it, meaning this is your presentation... I would not tell others that I did it although everybody knows that I did it... [but] the top person is not me but him...

He tries completely to delegate the formal authority to report to JHQ so that both can share the same responsibilities in practice. In the formal presentation, the Japanese VP does not present any part of the material and keeps being an observer. He, of course answers questions about the business, parts of the materials for which he is responsible. What frustrates him is the lack of active participation on the part of the American president, echoing his cultural interpretation of Japan and North America.

The American president is very aware of his ceremonial position. He, in fact, consulted the American VP about this 'odd' thing and understood that this is a typical practice of Japanese management. Responding to a question about his role, he notes his weakness in understanding Japanese management practices, commenting:

In my role as President and from my background in Finance and Administration, I understand fairly well my weakness in certain areas of the business. This is why when I took the position as President back in 2008 – I expressed my need to have strong people in key roles within the company, especially in the sales and marketing areas for product sales/strategy, and in operations/quality for product production in the US.

This comment demonstrates that he is aware of a lack of sales and marketing

experience in order to become a president in JUSA. He actually could not communicate in Japanese so this automatically means that Japanese expatriates need to take the role of communicating with JHQ and with the Japanese contacts at Japanese customers' sites. Indeed, before JUSA, he had never worked or dealt with Japanese MNCs. He had formerly worked as an accountant at an American accounting firm and as a management controller at several American corporations. Thus, it is understandable, as he murmured in the interview, that "I am not like [the current Japanese VP], nor am I an expatriate from JHQ". His ceremonial position is closely associated with his profile of not only inability to communicate in Japanese but also lack of prior experience of working with Japanese MNCs.

In response to the American president who is unfamiliar with Japanese management practices, the American VP plays an important role as a member of organisational communities spanning boundaries between the Japanese 'family' and Western market logics. Reflecting upon his long working experience in several large Japanese manufacturers in the US, he often helps the American president by filling gaps between Japanese and American corporations. He characterised his American president:

The President that we have is really an accountant person and he was made President because there was no one else to be made President a long time ago and he says that himself. So I'm not saying a bad thing about him, he realizes his gap. But he also realizes that he does not have that type of capability.

According to him, the American president lacks the capability of not only sales and marketing functions but also understanding of Japanese management practices. Thus, the American VP asserts that “I am being Japanese to my American boss” in order to span the boundaries between Japanese and American corporations. For example, in response to a question a symbolic role of Japanese expatriates, he advised the American president by drawing on his first-hand experience in several Japanese MNCs. He characterises the role of Japanese expatriates as a coordinator by saying “[the headquarters in Japanese MNCs, in general] tend to have somebody from Japan assigned to the president, kind of like a co-ordinator”. Indeed he plays a role of the organisational communities by “being Japanese” despite the fact that he of is not an expatriate from JHQ but a local employee.

The American VP seems to be a strong believer in a philosophical aspect of Japanese management practices. In fact, in his private room, he posts his motto for business operations which he got in working at the former Japanese MNCs. It is written in Japanese. Here is a picture.

Figure 25: The mottoes of business operations for the American VP (written in Japanese)



It is translated into English as:

Targets:

- Hope is not results but wishful thinking, and therefore needs to be examined
- Hope is not action
- Refrain from putting hope into action but move to planned actions

Action should be taken without wishful thinking

He says to me that he strongly believes the idea of putting wishful thinking into planned actions instead of simply having it. Thus, he tends to be very cautious when putting hoped for business goals into concrete actions in order to achieve these goals.

In line with his belief in Japanese management practices, he plays a key role of spanning boundaries. He occasionally has to convince the American president of their importance because the president tends to be dead against sharing management information with those 'lower down on the totem pole', as American internal sales operator characterises. The American VP recalls the president's attitude 'American way, to me, no good reason'. He describes:

Gross profit, so, our cost versus our pricing. [the American president is] concerned about that and I understand everyone who we share data with must control. So I understand his side for that, but I am convincing him that, you know, I expect managers at lower levels from me to control and have power and if I see something already too late that they should have seen first...

The American VP has worked at Japanese manufacturers in the US for more than twelve years, so is quite familiar with the 'family' norm. In the interviews with local employees, it was only he that answered "[JUSA] is an American company...But it is transitioning to a Japanese company... that is my view".

When characterising Japanese MNCs, he always refers back to his personal experience in the past at two large Japanese automotive manufacturers. He rather helps to resolve potential conflict between the 'family' and market logics through his career profile constructed within Japanese MNCs and American corporations, manifesting possible institutional reflexivity (Suddaby et al., 2012). In fact, this sharing of information goes along well with the intimate 'family' relationship of Japanese management (e.g., Keys and Miller, 1984; Hatvany and Pucik, 1981). This adds the importance of actors' profile to actors' positions, as McPherson and Sauder (2013) argue.

8.4 Communicating locals' complaints: Extended boundaries of organisational communities

Communication about locals' complaints creates an extended 'family' to local employees, making the work organisation ceremonial. In JapanCo group, it has not been uncommon for some locals to communicate their complaints to top management in JHQ bypassing their direct managers or directors. In general, the complaint is first made over the heads of subsidiaries to management executives at JHQ, with whom local actors got along. Here, the boundaries of 'family' are considered to be extended to the JapanCo group as a whole, as in a Japanese small firm (Kondo, 1990).

Here, the Japanese 'family' logic shapes the sharing of the same information and responsibilities beyond the hierarchy. This refers to a communication style rooted in JHQ, Japan. Sharing the same information and responsibilities is common in JHQ in which the employee's voice is constantly

gathered. There is a voice gathering system in JHQ; a suggestion box, '*Ryoshin No Koe*' in Japanese, ('voice of conscience' directly translated in English). It functions as a contact point for employee' opinions, possibly disrupting the organisational hierarchy, as in the subsidiaries. This is an email box located in the intra website in Japan and written in Japanese, and directly leads to the CEO of JapanCo group. This is expected to incorporate whistleblowing from inside JHQ, although it isn't paralleled in the subsidiaries. It also represents 'active participation' in all matters, however. This promotes employees' participation as family member engagement, whilst at the same time allowing the indictment of workplace issues. This enacts collective responsibility and the active participation of the 'family' logic as opposed to the organisational hierarchy (the corporation logic).

In the subsidiaries, this is strongly echoed in local complaints directly communicated with JHQ. Apparently, the local employees are often encouraged to make contact with JHQ. When visiting the subsidiaries, the top management from JHQ tend to actively make remarks that local employees are allowed to contact them directly over the heads of subsidiaries. A Japanese manager in JTHAI comments

This engineering director and another [from JHQ], visiting [JapanCo Thailand], told the locals to possibly contact themselves by themselves when necessary. In short, it means that it is possible for the locals to contact [JHQ].

For Japanese, this does not mean that local employees can ignore the line of command and control, however. Contacting JHQ can be allowed for reporting important and urgent issues regarding sales activities only, such as adjusting delivery dates and quality problems. For non-Japanese, the comment of the engineering director is interpreted as it is. This results in unintentionally encouraging local employees to communicate complaints with JHQ beyond their direct Japanese managers. He elaborates this:

It did not mean that they can disrupt or ignore the chain of command within their subsidiaries. For instance, a case can be that a customer's delivery date is severe so there is a need to help to shorten deliver time. Normally, Japanese would understand that this contact [with directors] can be used only for operational purpose but locals would not ... they would say, as they were told [to make contact with JHQ whenever they think necessary], and this is why they did it [contacted JHQ].

For Japanese, contacting JHQ manifests the Japanese 'family' logic, of sharing information for business purposes. This also implies actors' 'active participation' in order to gain and maintain the 'family' membership (Kondo, 1990). Meanwhile, the local employees tend to feel encouraged to contact JHQ whatsoever, eventually becoming members of organisational communities. This results in

making Japanese expatriates ceremonial managers in the subsidiaries because the locals contacted JHQ over the heads of Japanese expatriates.

In JEU, for example, there was a case when a local manager directly made contact with one of management executives in JHQ. He complained about a previous Japanese MD's 'authoritarian' way of restructuring the business, after the financial crisis. The way he restructured was described as 'inhumane' by an informant because he fired one employee on sick leave by just sending a dismissal notice via mail without directly meeting them. A Belgian director characterises the previous restructuring by saying:

It was quite a shock for everybody, because with the previous MD everything was very open and there was always room for negotiation... if you compare, his style is American management style

The Belgian director emphasised that the command and control exercised by the previous MD's 'American style' was not welcomed and thus, some managers left. Some German employees in JEU made a direct complaint to JHQ regarding the former MD. After the complaint, the former MD was finally relocated because of this way of restructuring and managing the business. According to some informants, he was, in fact, 'executed' by JHQ because he did not generate profits or gain trusted relationships with local employees.

A secretary in JEU describes what the former MD did by saying:

He didn't follow our advice and after all we are the European people, we know how the European market works and he had his own way of doing things...

According to her, he was not ready to hear what local employees were saying and eventually did whatever he wanted to do: restructuring and making sudden changes in marketing strategy without explanation. This kind of changes echoes the work of Ybema and Byun (2012) and Sedgwick (2007) in which they describe that some local employees left their Japanese subsidiaries due to cultural difference between Japanese and European ways of doing things, and organisational change in the subsidiaries. The complaint discussed above, however, manifests the extended boundaries of 'family' members communicating with JHQ, making the Japanese MD ceremonial in JEU.

Likewise, in JTAIW, a Taiwanese accounting manager communicated her concern about an accounting practice problem directly with JHQ, bypassing their former Taiwanese Japanese MD. The practice problem was that the cost of *feng shui*, Chinese geomancy used in rearranging office layout, was added up without a legitimate voucher payment. This complaint, however, stems not from the accounting problem itself but from an untrusting interpersonal relationship between the former MD and others. It is quite common to issue no voucher payment from *feng shui* service but the former MD created a voucher payment by himself. A current Japanese MD describes the former one as "an authoritarian leader" who gives orders and commands, rather than allowing space for participating in discussion. He states "[the former MD] is an ego driven man, thus

ruining interpersonal relationship with other local employees. A little thing is communicated as a fraud practice with JHQ. This was a mere communication issue. It should have been no big deal.” Later on, however, both the former MD and the accounting manager resigned because of this problem.

Both the cases of JEU and JTAIW illustrate how an issue in a subsidiary is shared and communicated with JHQ, making local employees members of the wider organisational community. In addition, these overhead diplomacies with JHQ also make the existing Japanese expatriate managers, directors, MD, and president useless and thus ceremonial. Not only are both local complaints to JHQ well heard by JHQ, but they are also accepted and investigated by the managements at JHQ. In both cases, the concerned Japanese MDs are either taken back to JHQ and later fired in the case of JTAIW. The organisational hierarchy between Japanese expatriates and their local employees (the corporation logic) is mediated and even disrupted by the locals sharing information and responsibilities (the Japanese ‘family’ logic) as the members of the organisational communities.

Another good illustration of local complaints to JHQ is JHTAI. Both a Thai male director and a female manager resisted the authoritative and directive actions of a Japanese expatriate by claiming that they suffered ‘power harassment’ and ‘sexual harassment’. Their request was to replace him with another Japanese expatriate as well as to prevent him coming to one of offices. They directly sent email over the heads of the subsidiaries to the division director at the headquarters who seemed to manage the Japanese expatriate by whom they are harassed. They have known the contact in JHQ for a long time, since

they joined JTHAI. As a researcher, I had difficulties conducting in-depth interviews about this event with the Thai manager and director in question because they were not prone to talk about the event. A large part of the interpretation of complaints rests on the Japanese manager who was complained about. His account was:

Hearing about the detailed claim of email later, I found that I seem to have been so hard on local sales, and was told not to come again [the office in] Rayong, although I had regularly visited the office by week before. So their request to the headquarters was not to let me come to Rayong anymore. I was not mad in front of them but, well, actually was a little bit. More than that, I said, when a local salespersons gave a lousy and poor excuse of losing sales opportunity, it is wrong and unacceptable. I was not convinced of the excuse so I told them that I need to interview with him. I was told not to do so by them.

The compliant manifests a conflict between 'family' responsibilities of raising subordinates and the benevolence of leaders believed in Theravada Buddhism. The Japanese expatriate interprets his role as to show anger in order to correct his employee's shortcomings, while the Thais rather prioritises the religious mind-set to forgive them (see 7.2). The contacts at JHQ are normally management executives who recognised the local employees. According to the Japanese expatriate, the source of the complaint concerns religious merits of

forgiveness which has to be shared among JHQ for their own interest. That is, he got angry with a Thai salesman who did not seriously pursue sales opportunities. In front of members in a meeting, he got angry although he knew that showing anger in public is not accepted in Thai society. He even commented in Japanese that “someone needs to scold local employees so that the Thais can get better... so I am taking this role of showing anger”. He expects to, raise his Thais as he did in Japan.

Actually, the Japanese expatriate firmly believes that anger is somewhat necessary to raise his Thai subordinates through the ‘family’ logic (see 7.2). For his view, he may have seen opportunities to treat and raise his men as his ‘child’. Nonetheless, Thai employees rather see constraints on this in terms of their religious belief in benevolence derived from Theravada Buddhism. Both actors’ view a manifest competitive relationship between Japanese ‘family’ and Thai Buddhism. This complaint, however, is somewhat puzzling for him because this was not the first time he got angry. He explains the source of embarrassment:

In the email, I am supposed to have sexually harassed her. I have known her for 10 years and invited her to my home party. I have gotten in with her for long term but I did not understand why she suddenly claimed this. ... Never until this time had I been complained by them although I have been working with them for 7 years. This is the first time that they resisted. I really do not understand. Anger? Probably, yes.

Reacting with surprise to this unexpected complaint, he reflects on what he has done with Thais and realised that his display of anger seemed to cause their resistance. Showing anger is against religious merit, benevolence and forgiveness, thereby provoking locals' complaints.

The profile of the Japanese expatriate is closely linked to JapanCo group. He began his career with JapanCo in Japan and has worked around thirty years. He has worked at JTHAI for seven years, which is his first experience of being an expatriate. He further comments that "Japanese in Asia tend to be respected" because of their outstanding historical and economic development in comparison with Asian countries. Thailand has been invested in by Japanese manufacturers as the hub in Asia. Taiwan, as another example, had been under Japan rule and thus "Japanese tend to be welcomed" as a Japanese expatriate in JTAIW mentions. In addition, a series of his comments parallels the notion of Asia in Japanese minds as the former Japanese expatriate MD in Asia and Europe comments that:

[in my tenancy at subsidiaries] I found Japanese expatriates tend to communicate very differently with local employees, according to the employees, either Western or Asian... With Asians, a terrible attitude, they look down [Asians] and say like, why don't you listen to me?... I did not like that...

For Japanese expatriates, the hierarchy means that Japan is above Asia yet below the West. This notion of Asia is consistent with what the Japanese expatriate in JTHAI says. He rather justifies why Japanese expatriates, including himself, are necessary in JTHAI by mentioning that “Japanese expatriates need to be here, as change leaders”. He referred back to the historical fact that a Japanese soldier, ‘*Yamada Nagamasa*’ became a governor during the 17th century in Thailand. He reasoned that talented foreigners like Japanese, therefore, are always crucial in order to maintain a good Thai society.

In the case here, the ‘family’ norm may have been instrumental by the Thais raising their complaints to JHQ. After the complaint ended, the Japanese manager, resisted by locals through the headquarters, laments that there is no rule of communication between the headquarters and local employees. He continues to describe how JHQ tends to react to this resistance.

The Japan side, while not knowing locals much, tends to take all the credits for local employees without questioning. It tends to have great affection for the locals, and then, and goes on to criticize Japanese expatriates by saying ‘what are you doing?’ This makes all the expatriates working hard overseas useless.

The contacts in JHQ are top management directors and vice presidents. When receiving complaints from local employees, who are mostly young, they tend to take for granted locals’ complaints without scrutiny. The ‘family’ norm may have

been utilised for bringing the Thais' complaint. Both the Thai director and manager have worked at JTHAI for more than ten years yet had no prior working experience with Japanese MNCs. Neither have they worked outside Thailand. Their positions, as McPherson and Sauder (2013) argue, are somewhat relevant to the directors' direct complaints with JHQ since because of their titles, they may be allowed to contact JHQ directly. Their long career profiles in JTHAI also helped them to communicate directly with the contact at JHQ whom they have long known. Their profiles strongly imply that the Thais strategically deploy the boundary of a whole 'family' including the subsidiaries through their active participation while downplaying the organisational hierarchy.

8.5 Discussions and conclusion

This chapter aims to understand how estranged practices in work organisation are interpreted through ceremonial aspects and how actors in turn are organised in terms of low compatibility and low centrality (Besharov and Smith, 2014). The finding of this chapter is: the boundaries of the organisational communities are not simply 'segmented' to Japanese expatriates but constructed through actors' profiles. The finding further elaborates on the receptivity of 'intraorganisational communities' which is supposed to greatly affect the given meaning of logics in the subsidiaries. Greenwood et al. (2011) argue that the receptivity may be strongly affected by 'the thickness of ties' of organisational communities to their organisational fields. At first sight, this seems to support Japanese organisational communities. Japanese expatriates are structured as the dominant organisational community, manifesting *uchi*, the inside group of the

ethnocentric 'family' (Kondo, 1990). Indeed different HR management systems between Japanese expatriates and locals strongly support this Japanese organisational community (see 8.3.1). The dominant Japanese community can play a role in spanning the boundaries of 'family' members within JapanCo group and its subsidiaries, manifesting the uncontested boundaries of organisational communities. This indeed parallels the intimate relations between logics and types of actors, geographical communities, and organisations which are supposed to be segmented (Goodrick and Reay, 2011).

The receptivity of organisational communities is, however, further constructed by actors' personal profiles, rather than actors' positions as structurally defined. McPherson and Sauder (2013) assert that actors are structurally constrained to manifest constellations of logics in threefold: procedural, definitional, and positional constraints. Despite the importance of actors' positions, actors' profiles also help to expand the membership of the organisational communities communicating with JHQ. This supports the significance of actors' profiles as institutional reflexivity, indicated by Suddaby et al. (2012). In JUSA, the boundaries of the organisational communities are extended to the American VP, not the American president, owing to his career profile of working at several Japanese manufactures in the past. The American president, despite his leadership position, is rather separated from organisational communities according to a lack of 'active participation' (Kondo, 1990) (see 8.3). In fact, both American president and VP have different profiles: the former had no working experience with Japanese MNCs while the latter has extensive experience over a number of decades. The American VP, as he says

himself, tends to play a role of being Japanese toward the American president. In JTHAI, the Thai director and manager who has worked at JTHAI for a long time are very aware of the Japanese 'family' within JapanCo group through their length of service in JHTAI. Their experience of working at other Japanese MNCs turns out to be a key element in playing the role of organisational communities spanning the manifested boundaries between the Japanese 'family' and the Western market logics. Indeed, they actually play a role of the organisational communities spanning the boundaries between Japanese 'family' and Thai Theravada Buddhism. This indicates the significance of actors' career profile, of working at Japanese MNCs in this case, which potentially defines a member of organisational communities. This does not deny the three constraints that McPherson and Sauder (2013) present, especially that actors' positions possibly restrict the constellations of logics. This rather confirms that the receptivity of organisational communities (Greenwood et al., 2011) can be constructed most through actors' career profiles, especially in terms of experiencing different Japanese MNCs in this case.

Perhaps, in the cases examined here, actors with their career profiles of working at only one corporation can be rather deeply embedded in their original environments. McPherson and Sauder (2013) remind us that the more varied institutional experience actors have, the greater institutional complexity there is. Here, both the Japanese VP in JUSA and the Japanese expatriate in JTHAI are examples of this. The Japanese VP in JUSA, who began his career and never had an expatriate experience before, firmly believes that Americans needs to be above Japanese expatriates because of historical development in respect to

Japan that “we [Japanese] are underneath [the US] so it would cause conflicts when Japanese try to take a leadership role, however, it would go well when an American is assigned as a leader”. Furthermore, the Japanese expatriate in JTHAI, who had spent his whole career in JapanCo, firmly believes that he needs to be a leader towards his Thai subordinates whenever necessary. He is actively taking a role of scolding his Thais whenever necessary by saying that “Japanese expatriates need to be here, as change leaders” referencing the historical figure, Yamada Nagamasa, who was a successful Japanese governor in 17th century Thailand. This further implies that actors’ profiles of having worked at one institutional environment manifests a particular logic that may be further embedded in their ‘life history’ rather than having institutional reflexivity (Suddaby et al., 2012; Battilana and Dorado, 2010).

Chapter 9: Discussion and Conclusion

9.1 Summary of the findings

The purpose of this research is to explore how practices are interpreted differently across the foreign subsidiaries of a Japanese MNC. An institutional logic approach is adopted, with a focus upon constellations of logics through the compatibility and centrality framework. Categories of practices across the subsidiaries of JapanCo emerged inductively through a quasi-ethnographic study. These practices relate to customer development, work and employment, and work organisation. The key findings of the study concern the relevance of culture, amplified logics, context, and ceremonial features for the operation of institutional logics. The significance of culture is appreciated through the aligned practices of Japanese 'family' and Thai Theravada Buddhism. The significance of amplified logics is examined, chiefly through the 'family' and religion logics. The significance of context is assessed through the contested practices enacting logics. Finally, the ceremonial aspects are illuminated through the estranged practices. Each finding is elaborated as follows.

9.1.1 Significance of culture on logics

The significance of a national culture is assessed through the constellations of logics enacted in the aligned practices (see chapter 6). An identified finding is that the 'family' and religion logics themselves manifest national cultures, such as aspects of Japanese 'family' and Thai Theravada Buddhism, through practices in customer development. The table below compares the legitimacies of logics between those set out in this thesis and those of Thornton et al. (2012).

Table 13: Comparison of legitimacies of logics (Thornton et al., 2012) and cultural interpretations

Logics	Its legitimacies (Thornton et al., 2012)	Cultural interpretations
'Family' logic	Unconditional loyalty	Reciprocity and obligation ('ko' and 'on' relationship)
Religion logic	Sacredness in economy	Religious merit (Tam bun and Mai pen rai in Thai)

Here, the Japanese 'family' is governed by a reciprocal 'ko' and 'on' relationship, 'reciprocity and obligation' (Kondo, 1990; Bhappu, 2000), sharply contrasting with the 'unconditional loyalty' which legitimises the Western 'family' (Thornton et al., 2012). '*Oyabun Kobun*', '*Senpai Kohai*', '*Ongaeshi*', '*Shiltuta Gekirei*' are all expressed as the burden of Japanese 'family' members. '*Ongaeshi*' is the repayment to those whom one thinks is owed it (see 6.4; 7.3.1; 7.3.2). The child, especially after maturing, is obligated to return favours to its parents. This meaning of 'family' is also influenced by Japan's collectivistic society (Hofstede, 2010). This has little to do with 'unconditional loyalty' as such, prioritizing more "reciprocity and obligation rather than obedience" (Bhappu, 2000). It is also not consistent with the parental altruism which is manifested in Western 'family' firms (e.g., Nordqvist and Melin, 2010; Karra et al., 2006). 'Unconditional loyalty in the Western 'family' logic is in general consistent with Western 'family' firms (e.g., Karra et al., 2006). The concept of 'family' of both Western and Japanese, however, originates from the importance of 'reproduction of 'family' members' as Friedland and Alford (1991) state.

Moreover, Theravada Buddhism is strongly manifested through culturally interpretation of religious merits. '*Tam bun*' and '*Mai pen rai*', in Thai, symbolically represent the essence of religious merits, such as helping, forgiving, and being benevolent. A leader in Theravada Buddhism is expected to be a 'benevolent' father. This contrasts with the religion logic based on Christianity's governed 'sacredness' (Thornton et al., 2012). Although Thornton et al.(2012) reworked the religion logic to be universal rather than Christian, their definition is still a residue from Christianity, rather than incorporating other religious viewpoints such as Theravada Buddhism. '*Tam bun*' and '*mai pen rai*' in Thai, for example, manifest the true significance of gaining religious merits, leading to forgiving others and not showing anger. This implies potential limitations, as pointed out by Friedland and Alford (1991), who reminded us of the importance of the differences between Western and non-Western societies. The 'family' and religion logics are deeply rooted in national cultures in Japan and Thailand. This also strongly echoes the 'cultural space' for which categorical elements of logics may compete when Thornton et al. (2012) present the organisational field structure as the conditions favouring particular logics. The finding of this thesis rather illuminates that new 'cultural space' in non-Western society, such as Asia, is possibly composed of fundamentally different elements of the 'family' and religion logics which have been rooted in national cultures.

9.1.2 Significance of amplified logics

The significance of amplified logics is examined through the constellations of logics enacted in the aligned practices (see chapter 6). The finding is that both

the Japanese 'family' and Theravada Buddhism strengthen each other. In JTHAI, both the Japanese 'family' norm and Theravada Buddhism are amplifying each other (see 6.3, 6.4). Here, the Thai employees in JTHAI are motivated to be 'family' members who cooperate through seniority (the corporation), helping each other so as to ultimately gain religious merit (religion) as well as improved economic results (market). For the Thai employees, 'company as 'family'' is expressed through their identification with JTHAI, showing their benevolence in Theravada Buddhism by helping others and forgiving others' mistakes. The Thai managers and directors spend their non-working hours instructing their employees. They volunteer to form study groups to teach their employees how to deal with Japanese customers. The relationships among logics are strengthened as well as facilitated, manifesting amplified relationships.

This demonstrate how logics are amplified (Greenwood et al., 2010; 2011) 'on the ground' (McPherson and Sauder, 2013) in reference to high compatibility (Besharov and Smith, 2014). Conducting a macro analysis of Spanish firms, Greenwood et al. (2011) demonstrate a close correlation between Spanish family firms, regions in which Catholicism is dominant, and the extent of firms' restructuring. Here, unlike their macro analysis, the thesis focuses on practice to show how multiple logics are not only enacted but also amplified within the aligned practices in customer development on the ground (see chapter 6). Thais characterise themselves as 'family' members (the family logic) for economic purposes (the market logic) as well as seeking religious merits (the religion logic) within their hierarchy (the corporation logic). Helping behaviours (the religion logic), such as spending non-working hours supervising their

subordinates, helps to retain their 'family' members as well as achieve economic benefit. Furthermore, delivering economic benefits, such as generating additional revenue from customers, is also a necessary condition for retaining family members as well as religious members. The aligned practices elaborate how logics are amplified on the ground without a clear hierarchy among them.

9.1.3 Significance of context of logics

The significance of context is assessed through the constellations of logics enacted in the contested practices (see chapter 7). A finding is identified: the constellations of logics are ongoing and continuously formed in relation to geographical locations. Actors' negotiations and conflicts continue in order to solve competitive relationships among logics. Both bonus and sales incentives enact multiple logics, eventually generating competitive relationships among logics. In JTHAI, for example, Thai employees tend to find opportunities to manifest religious merit by forgiving others' mistakes when pursuing sales opportunities with Japanese expatriates, manifesting a tension between the religion and market logics (see 7.2). Job delegation enacts a tension between self-improvement (family), self-acceptance (religion) and self-interest (market). In JTAIW, JUSA and JEU, however, the market logic manifests itself in job delegation for the sake of managers' self-interests. This demonstrates the situatedness of actors, because some see opportunities while others see constraints within the same practices. In addition, in JTHAI, the Japanese 'family', enacted by Thais asserting that 'we are family', conflicts with Theravada Buddhism in respect to bill payment (see 7.4.1) while in JTAIW, JUSA, JEU, the

market and 'family' logic are in conflict according to actors conducting practices (see 7.4.2). In addition, the 'family' logic in JTHAI conflicts with the market efficiency expected by the Japanese MD. This stems from the notion that constellations of logics are dynamic and ongoing process of enacting logics.

Moreover, the constellations of logics are to some extent, different in Asia and the West. For example, in Asia, like JTHAI and JTAIW, 'family' logic is enacted through the employment practices (see 7.3.1; 7.4.1): the local employees tend to treat bonuses as a collective reward, prioritising group performance over individual. In particular, company trips and parties in both JTHAI and JTAIW manifest the 'family' logic, while other social events are quite active in JTHAI but not JTAIW, bringing about different manifestations of the 'family' logic. By contrast, the market logic in JUSA and JEU is strongly enacted by performance appraisal and socialisation (see 7.3.2; 7.4.2) where sales incentives and promotion are interpreted as individual rewards, and no bonus is adopted. In JUSA, JEU, and partially in JTAIW, there are very few social events, which are considered means to keep independent professionals relationships to a bare minimum, rather than building a 'family' norm as in JTHAI.

This does not mean that the geographical location solely determines the constellations of logics, however. In JTHAI and JTAIW, there are some Thai and Taiwanese who tend to insist on an increase in individual salary (see 7.3.1), and there is an American director who wants JUSA to become a Japanese company. These demonstrate nuanced articulations of constellations of logics in their geographical locations. As Abo (2015) and Lounsbury (2007) point out, geographical locations matter. This finding also highlights the significance of

context, such as surrounding environments as well as the geographical locations where practices are conducted, as other institutionalists have recently argued (e.g., Goodrick and Reay, 2011; Delbridge and Edwards, 2013).

9.1.4 Significance of actors' profile

The ceremonial aspects are assessed through the constellations of logics enacted in the estranged practices (see chapter 8). Indeed, the boundaries of organisational communities are not 'segmented' to Japanese expatriates but extended through actors' profile. This raises the significance of actors' profile in having institutional reflexivity (Suddaby et al., 2012) and echoes the contested meanings of 'family', as Kondo (1990) asserts. This also adds the importance of actors' profile to their positions manifesting the constellations of logics. At first sight, Japanese expatriates are structurally constructed as the dominant organisational community by the organisational field (Greenwood et al., 2011), manifesting *uchi*, the inside group of the ethnocentric 'family'. The different HR management systems between Japanese expatriates and the locals strongly support this Japanese organisational community, echoing 'two management structures' (Elger and Smith, 2005) (see 8.2). Indeed, the dominant Japanese community plays a role spanning the boundaries of 'family' members within JapanCo group and its subsidiaries.

In practice, however, the boundaries of the organisational communities are due largely to actors' profiles of whether actors have intensive working experience at Japanese MNCs. In particular, in JUSA, the American president has little working experience with Japanese MNCs in the past while the

American VP has intensive experience over several decades (see 8.3). The American VP says that he plays the role of 'being Japanese' towards the American president by promoting Japanese management practices, such as sharing information in the QC Circle. He has extensive work experience at several large Japanese MNCs and expertise in Japanese management practices, especially on the manufacturing side. His career profile, albeit not a Japanese expatriate in JUSA, allows himself actively to play a role of organisational communities which connect to Japanese management practices possibly conducted in JHQ. Being Japanese, he often convinces the American VP of how the headquarters in Japanese MNCs manage to establish subsidiaries by despatching Japanese expatriates who are expected to play the role of coordinator. Based on extensive working experience at Japanese MNCs, the actors' profiles help to play the role of organisational communities which construct and conduct Japanese management practices manifesting the 'family' logic. In contrast, the American president stays separated from the organisational communities due to his lack of 'active participation' (Kondo, 1990) (see 8.2). These accounts elaborate on the simple notion of having dominant Japanese expatriates (Westney, 1987; 1999). Here, the boundaries of the organisational communities are constructed through actors' profiles in addition to their 'active participation'.

9.2 Theoretical contributions

Drawing on the findings previously reviewed, four main theoretical contributions are identified: the significance of culture on logics clarifies the relationship

between culture and logics; the significance of amplified logics elaborates the compatibility and centrality framework; the significance of context illuminates the relationality of logics; and the ceremonial aspects reveal complex relations between logics and ceremonial aspects.

9.2.1 Clarifying the relationship between national cultures and logics

The finding that 'family' and religion logics themselves manifest national cultures, such as aspects of Japanese 'family' and Thai Theravada Buddhism, through the aligned practices in customer development questions a distinction between logics and national cultures implicitly made by the existing literature (i.e., Värlander et al., 2016; Giorgi et al., 2015). Here, not only are constellations of logics affected by national cultures, but logics themselves manifest the national cultures to which actors attribute practices. This further advances the theoretical contribution of Värlander et al. (2016) who point out that institutional logics themselves might be different according to national culture. They raised a concern that the market logic across the US, China and India may not be identical by describing that the market logic in China with its state controlled market is different from the one in the US. As a main contribution of Värlander et al. (2016), national cultural influence on institutional logics through transferring practices responds to a recent call to "explain how and why culture influences a range of organizational processes" (Giorgi et al., 2015, p30). Indeed Giorgi et al. (2015) argue for the importance of culture as a variable by classifying the existing literature into the two categories of 'institutions' effect on culture' as well as 'culture's effect on institutions' on the assumption that both logics and culture

are separable. Here, the cultural aspect of 'reciprocity and obligation' is strongly manifested as the Japanese 'family' logic among 'family' members, bringing about the intertwined relationship between cultures and logics. National cultures are already incorporated in depth in institutional logics.

This leads to a further series of questions about the fundamental relationship between culture and logic assumed by a series of studies in *Journal of Management Inquiry* 2012 by asking, for example, whether both culture and logics can be separable in the first place. Many scholars in this edition, such as Schultz (2012) Aten and Howard-Grenville (2012), and Hatch (2012), implicitly assumes a distinction between culture and institutional theory. Some argue that while institutional theory is conducted at the field and organisational level of analysis, cultural theory concerns individual level analysis. According to them, as a variable, a national culture is supposed to only influence the process and enactment of logics. In fact, however, institutional logics perspectives are found to offer their potential most especially in different national contexts, and especially in non-Western countries, such as in Asia, Africa and South America because the study of institutional logics in cross cultural settings is relatively less focused (Thornton et al., 2012). In the current literature, the universality of logics is implicitly assumed even in different national contexts (e.g., Thornton et al., 2012; Värlander et al., 2016). Given the meanings of logics themselves manifesting the national cultures with which actors are associated, then institutional logics perspectives can play an important role in how culture and logics are both incorporated and intertwined in different national contexts. Thus, this paves a new path for culture and logics in cross cultural studies.

9.2.2 Amplification of logics is not equal to compatibility

The finding that both Japanese 'family' and Theravada Buddhism strengthen each other elaborates the concept of compatibility in logic multiplicity that Besharov and Smith (2014) argue for, while directly supporting the presupposition of amplification itself (Greenwood et al., 2010; 2011). It demonstrates that amplification is not limited to just compatible (Besharov and Smith, 2014) or facilitative logics (Goodrick and Reay, 2011) because logics not only coexist without conflicts but also strengthen each other. This does not exactly echo a hybrid logic (Thornton et al., 2005) or a facilitative relationship (Goodrick and Reay, 2011), which simply indicates the coexistence of logics. Nor is it a blending logic (Thornton et al., 2012) which is supposed to create new logic by blending multiple logics. The compatibility is primarily given on the assumption of clear hierarchies of compatible logics at the organisational level by arguing that "compatibility is lower when there are inconsistencies regarding the goals of organizational action than when there are inconsistencies involving only the means by which goals are achieved (Besharov and Smith, 2014, p367)." In this thesis, the Thai employees in JTHAI are motivated to be 'family' members (the 'family') who cooperate through seniority (the corporation) and help each other (the religion) ultimately to gain economic results (the market). All these logics are not only facilitating or compatible but also amplifying and strengthening, without a clear hierarchy between them: they are all interdependent according to actors' attributed meanings to practices.

Furthermore, amplified logics elaborate how logics are strengthened 'on

the ground' (McPherson and Sauder, 2013) at a micro level, further advancing the work of Greenwood et al. (2010) who showed the macro relationship between Spanish 'family' owned firms and Catholicism. Greenwood et al. (2010) basically conducted a quantitative analysis that showed a correlation among family firms and Catholicism by regions in Spain, although they do not directly touch upon how logics are amplified in practices nor how logics are interrelated. This also confirms the older Japanese management literature, such as Bhappu (2000)'s identification of the 'family' and religion logics within Japanese MNCs. She demonstrates the existence of 'family' and religion logics simply operating within Japanese MNCs, but fails to point out how these logics coexist and cooperate. Logics are likely to amplify each other through the meanings of 'reciprocity'. At the same time, this amplified relationship proves to be distinctive from the facilitative relationship in the sense of strengthening logics although Waldorff, Reay, and Goodrick (2013) treat the amplified relationship as the facilitative. This further implies that a possible condition favouring amplified relationships may be deeply concerned with actors' cultural interpretation.

Similarly, this casts further doubt on the current literature of Japanisation which examines how practices are executed and interpreted through the norm of 'family'. It might be amplification with other logics rather than simple 'Japanisation' which intensifies the 'family' norm. Reflecting on the current literature which focuses on the industry level analysis (e.g., Oliver and Wilkinson, 1992), Japanese management scholars may have failed to articulate the amplified effects of the 'family' and other logics, in favour of a simplistically dominant 'family' logic. In the compatibility and centrality framework, their studies

are likely to fall into the category of dominant practices where a single logic dominates other peripheral logics without conflicts: the box of high compatibility and low centrality in the compatibility and centrality framework (Besharov and Smith, 2014). In particular, this applies to some Japanese MNCs in Thailand in the sense that “Thai workers were seen to be more familiar and comfortable with the collectivist orientation of Japanese managers” (Atmiyanandana and Lawler, 2003, p238) than with that of the managers in the Western MNCs. This has actually been initially recognised as Japanisation enacted by dominant ‘family’ yet, on closer examination, the ‘family’ norm might have simply been amplified by multiple plural logics through cultural interpretations as demonstrated in chapter 6. This stems from a macro level analysis of Japanisation, neglecting the meanings actors attributed to practices.

9.2.3 Ongoing constellations of logics in different geographical locations

There is a theoretical significance of the identified finding in chapter 7: that the ongoing and continuously formed constellations of logics in relation to geographical locations demonstrate the notion of contextual embeddedness proposed by other institutionalists (e.g., McPherson and Sauder, 2013; Värlander et al., 2016; Delbridge and Edwards, 2013; Smets and Jarzabkowski, 2013). This corresponds to the recent call to reveal nationally and organisationally “situated cultural beliefs, norms, and behaviors” (Giorgi et al., 2015, p36) in a more nuanced manner, echoing the situatedness of actors (e.g., Delbridge and Edwards, 2013; Smets and Jarzabkowski, 2013). Through actors’

negotiation and interaction within the practices, as the negotiation and interactions at court (McPherson and Sauder, 2013), the finding provides a dynamic view of how logic and cultures, including organisational as well as national culture, are enacted according to actors' contexts. Here, actors are rather situated in their contexts so some see opportunities while others see constraints within the same practices on an ongoing basis.

Moreover, the finding that the constellations of logics are different in Asia and the West highlights the importance of geographical locations enabling specific constellations (Värlander et al., 2016) and of 'geographical communities' where logics are rooted (Lounsbury, 2007). Värlander et al. (2016) explain how an 'open space' practice through entrepreneurial logic in the US is transferred and manifests an engineering logic in China and market and community logics in India. Here, the 'family' logic is enacted through employment practices in Asia. In JTHAI and JTAIW, actors tend to treat bonuses as a collective reward. This echoes the work of Abo (2015) who argues for how geographical locations may influence Japanese management practice. In contrast, in the West, the market logic is strongly enacted by performance appraisal and socialisation. A sales incentive and promotion are interpreted as individual reward while no bonus is adopted. This rather explains the work of Elger and Smith (1994; 2005), illuminating how Japanese management practices are rejected and resisted.

Although the geographical locations are deeply associated with enactment of low compatibility in logics, these never determine the relationships among them as the situatedness of actors is discussed (e.g., Delbridge and Edwards, 2013; Smets and Jarzabkowski, 2013). Actors' willingness is also

considered as in McPherson and Smith (2013) because here, the 'family' norm is strategically utilised by the Thai director who want to share jobs efficiently. This dynamic view of logics and culture, in response to the call for 'contextual embeddedness' raised by Giorgi et al. (2015), shows the importance of organisational contexts and culture. The cultural meanings of logics are not given but situated by actors in geographical locations where national and organisational contexts are embedded. Practices are employed as a micro cosmos where multiple logics operate at multiple levels. This is due to 'both intentional and unintentional outcomes' in the 'everyday getting by of individuals' (Lawrence et al., 2011) according to the relational contexts in which actors conduct practices. After all, the constellations of logics in the compatibility and centrality framework need to be treated as a dynamic and ongoing process of enacting institutional logics as well as other constellations of logics.

9.2.4 Actors' profiles in organisational communities

There is one theoretical significance of the finding in chapter 8: the boundaries of the organisational communities are not 'segmented' to Japanese expatriates but constructed through actors' profiles. This finding raises the importance of actors' profiles supporting a possible institutional reflexivity, as Suddaby et al. (2012) point out. They raise the significance of 'variations in one's personal biography' which is composed of 'their social position, their educational history, their network relationships (Suddaby et al., 2012, p13)'. These 'substantial individual differences' among actors are shown to be quite important in this research, especially in the Japanese MNCs examined here. Indeed the American VP,

albeit not the president, is 'being Japanese' towards the American boss. His career profile in several Japanese MNCs greatly influences his capability to reflect his institutional environments in JTHAI. The American president, however, tends to be in a ceremonial position due to a lack of active participation. In this case, these differences can be made by actors' profiles in respect to their work experience at Japanese MNCs enacting the Japanese 'family' logic. This echoes the work of Battilana and Dorado (2010) who raise the importance of actors' profiles exposed to some practices enacting a particular logic. They indicate that actors' life history' may be fundamental to playing the role of organisational community members. The institutionalists' normally focus on the macro and meso level studies adopting quantitative methods, eventually failing to grasp (e.g., Thornton et al., 2012) 'substantial individual differences' among actors (Suddaby et al., 2012). This also questions a simple articulation of the receptivity of organisational communities which can be strongly affected by 'the thickness of ties' to their organisational fields (Greenwood et al., 2011). With actors' suitable career profile, they can play a role of organisational communities regardless of whether or not they are structurally defined as members of organisational communities connecting their organisational fields.

At the same time, this responds to a call made by McPherson and Sauder (2013) to elaborate actors' capability to 'use' institutional logics. Assuming actors' capability to use logics as a cultural 'repertoire' in reference to a cultural toolkit approach (Swidler, 1986), their research generated several questions, such as "Are the tools of all the institutions available for use? Are actors able to use these tools effectively? Which actors are most dexterous in

the use of these tools?" (McPherson and Sauder, 2013, p187). In this thesis, chapter 8 demonstrates how actors can and cannot enact constellations of logics in reference to actors' profile. A Japanese expatriate seems to be deeply embedded in the institutional environment in Japan by saying that the Japanese need to lead the Thais, while other local employees in JTHAI, JEU, and JUSA tend to make direct complaints with JHQ. These local employees have experienced the institutional environment in Japan for a lengthy period of time in their career. This actors' profile may enable or constrain the enacting of specific constellations of logics. Following McPherson and Sauder (2013), chapter 8 demonstrates 'everyday manifestations of logics' through ceremonial aspects with actors' profile by examples of different actors' actions and profiles.

In addition, the finding further questions organisational communities structurally defined by their organisational fields as Greenwood et al.(2011) argue. The boundaries of 'family' can be contested with actors' 'active participation' (Kondo, 1990) in addition to their profile. In theory, Japanese expatriates can be structurally entitled to be the organisational community to connect themselves to JHQ, as Greenwood et al, (2011) argue that the 'intraorganisational communities' are supposed to be structurally defined by connecting themselves to the organisational fields. In practice, however, like the American VP being Japanese and the Thai director and manager, actors are able to play a role of organisational communities connecting to JHQ; their fields in other words. Active participation is therefore necessary in addition to appropriate actors' profiles. This also throws doubt on the intimate relationship between logics and types of actors, geographical communities and

organisations (Goodrick and Reay, 2011) and on the assumption of complete actor autonomy to use logics as a repertoire. The boundaries of organisational communities are dynamically constructed rather than defined by their fields. These accounts develop a more nuanced articulation of the contested boundaries of organisational communities (Greenwood et al., 2011).

9.3 Implications for managers

This research provides several practical implications for managers, regardless of whether they are Japanese working especially at Japanese MNCs. Managers should understand actors' cross-cultural interpretations of practices; they should pay attention to contexts of tensions between Japanese and locals; they should be aware of ceremonial aspects in two management structures; and they should understand the significance of actors' profile of boundary spanners.

9.3.1 Cross-cultural interpretations on practices

Managers should understand the cross-cultural interpretations of practices with a host country culture (see chapter 6;7;8). The same practice can be interpreted differently through actors' cultural interpretations of a host and home country culture. In this research, typical practices for Japanese MNCs are identified: on-the-job trainings, study group, sales follow up, job delegation, performance appraisal, socialisation, and communication with JHQ and customers locally. Through these practices, actors differentially 'inhabit' meanings of logics and culture. In JTHAI, the Thai employees tend to characterise 'company as family' while gaining religious merit by helping others (see 6.3, 6.4, 7.3.1, 7.4.1, 8.4).

Both the 'family' norm and Theravada Buddhism can be intertwined, thus enabling the same actions on the part of actors: helping others and forgiving others' mistakes (see 6.4). Indeed, some Japanese expatriates particularly admire the Thais for these actions; recognising them to those of the Japanese 'family'. Others attribute them to Thai religion, Theravada Buddhism, thus denying the existence of Japanese 'family'. Even if actors' actions are superficially similar to those of the Japanese, cultural meanings are not necessarily the same as a Japanese observer might think.

Furthermore, this cross-cultural interpretation does not simply mean that Japanese do things one way while locals act in another fixed manner. In JTHAI, some locals express the importance of the 'family' norm while some Japanese do not at all. In addition, there can be local employees who act like Japanese expatriates. For example, in JTHAI, there is a Thai manager who speaks Japanese and emphasises the *Oyabun* and *Kobun* paternal relationship (see 6.3). In JUSA, an American director is passionate about changing the status of JUSA as American company into a Japanese company where the 'family' logic can operate (see 8.4). Here, there is no simple formula as to how Japanese expatriates might act and how local employees in turn react.

9.3.2 Contexts of tensions between Japanese and locals

Managers should pay attention to tensions and some conflicts between Japanese and locals through logics (see chapter 7). These tensions and conflicts can be different according to the relational contexts of actors in a geographical location. In Asia, a collectivistic orientation based on 'family' can be

enhanced. A bonus manifests a collective reward in relation to their collectivistic orientations. In particular, a Thai manager insists on an increase in salary for her employees by stating that her salary has been raised enough, thus gaining religious merit in respect to Theravada Buddhism. Social events are quite active and there are even company trips and parties. In contrast, in the West, individualistic economic efficiency based on the market is strongly emphasised by performance appraisal and socialisation. Sales incentives and promotion are interpreted as individual rewards while no bonus is adopted (see 7.3). There are very few socials, which are considered as a means to keep independent professional relationships to the bare minimum, rather than building 'family' norm as in JTHAI (see 7.4). In Asia and West, therefore, the different types of tensions and conflicts may be different.

The geographical and cultural contexts of Asia and the West do not always determine the competitive relationships among logics. In JTAIW, despite company trips and parties, there seem to be very few informal social events: Taiwanese tend not to go out together as in JTHAI. In JTHAI, meanwhile, some Thai employees make an effort to argue for salary increases when assigned sales development jobs acquiring new customers or projects. Furthermore, the American director who had previously worked at large Japanese automotive manufacturers insists that JUSA is an 'American company' now, but that it is going to be Japanese company. Thus, the geographical and cultural contexts are deeply associated with enactment of competitive logics, but do not however determine the relationships between them.

9.3.3 Ceremonial aspects in two management structures

Managers have to be aware of ceremonial aspects in two management structures within subsidiaries of Japanese MNCs (see chapter 8). This research shows how 'two management structures' (Elger and Smith, 2005) are constructed through actors' cultural interpretation and contextual enactment of logics. At first sight, this has been reinforced by the dominant role of Japanese expatriates (Westney, 1987; 1999). In communicating expatriate evaluation, two structures are reinforced by the separation between Japanese expatriates and local employees. There are different HR management systems for Japanese expatriates and locals. This causes tensions in communicating business results by the American president, bringing about competition between the corporation and market logics. These negate the simple notion of having dominant Japanese expatriates (Westney, 1987; 1999), however, and instead support a more nuanced articulation of ceremonial aspects according to actors in their contexts. Eventually, the two structures are sustained as ceremonial work organisation norm which is mediated through the collective responsibility of 'family'.

Furthermore, these ceremonial aspects are partially influenced by Japanese cultural interpretations of the hierarchy between Asia and the West (see 8.3). Although some Thais in JTHAI are promoted as directors above the Japanese, some Thais still consider the Japanese expatriate manager as the boss of the Thai directors because he is 'Japanese'. In the West, the American president was appointed although the Japanese VP is the main contact with JHQ. The Japanese VP firmly believes that, in JUSA, the American president is simply better than the Japanese owing to the US hierarchical position in

Japanese mentality. These cultural interpretations may shape these ceremonial aspects.

9.3.4 Actors' profiles of boundary spanners

Managers should understand the significance of actors' profile of boundary spanners between different geographical locations (Suddaby, et al., 2012). The American VP in JUSA has extensive work experience at several large Japanese MNCs over a number of decades. The American VP, as he says himself, tends to play a role of being Japanese toward the American president, eventually playing a role of spanning boundaries between the Japanese 'family' and Western market logics. His career profile helps him to understand and span the possible boundaries within MNCs, possibly connecting the foreign subsidiaries to their headquarters. By contrast, the Japanese VP in JUSA is rather deeply embedded in their original environments in Japan. He began his career and never had an expatriate experience before. This strongly implicates the significance of actors' career profile, of working at Japanese MNCs in this case, which potentially defines a member of organisational communities.

9.4 Limitations and future research questions

9.4.1 An issue of generalisability

As with all the institutional studies, this research has several limitations. First, an issue of generalisability may arise because of the comparative ethnographic case studies. Although JapanCo has a long history and has operated for more than a hundred years since its incorporation in Japan, it is just one of many

Japanese MNCs, and thus this case may neither represent nor be generalised to the population of Japanese MNCs. It does not help at all to 'enumerate frequencies' which generalise as 'statistical generalisation'. It does, however, possibly expand the institutional logics approach as 'analytic generalisation' (Yin, 2003), linking findings in specific cases to a theory, which allows the ethnographic approach. Thus, the issue may remain but can be solved by focusing on aspects of expanding theories.

9.4.2 An issue of reliability

An issue of reliability may arise because of one coder and languages. Data is coded on the basis of a single coder, although this can be alleviated by re-coding twice. Also there is a language problem especially in the interviews with Thai, Taiwanese, and Belgium, whose first language is not English. In this case, I was reliant relatively more on Japanese expatriates' accounts than the local employees, because some of them did not express themselves well in English. Overall, however, the quasi-ethnography nature of the study with a deep understanding of the data combines with 'thick description' presentations in a way that should be sufficient to address the concerns regarding reliability (Silverman, 2006).

9.4.3 An issue of at-home ethnography

An issue of at-home ethnography may arise because of treating the researcher as the object of study. This may limit the researcher to the taken-for-granted idea at his home. Alvesson (2009, p166) posts a fair warning that "(b)eing personally

involved in the object of study (the context in which one is studying) also means that one may be less able to liberate oneself from some taken-for-granted ideas or to view things in an open-minded way". Although any social research can never be entirely neutral (Burrell and Morgan, 1979), it is possible to be more sensitive to the ideas through careful reflection. Here, reflexivity is actively enhanced throughout the data collection and analysis process.

9.4.4 Elaborating relations between logics and culture

A potential future research concerns the relationships between logics and culture. This research clarifies the relationship between national culture and logics from the perspective of a Japanese MNC operating in Asia and the West. Thornton et al. (2012) briefly touch upon 'cultural space' from the institutional logics perspective. Värlander et al. (2016) elaborate different constellations in the US, India and China. Cultural space should really matter here, given the research in a non-Western region, such as Asia, as demonstrated in this research. This raises the possibility that there might be another version of institutional logics perspectives in non-Western society which manifests a national culture. In particular, 'family' and religion logics can be further elaborated, especially in other Asian countries and other regions, such as Africa and South America.

9.4.5 Exploring agency in the constellations of logics

Another potential research area is regarding agency in constellations of logics. In reference to Suddaby et al. (2012), this research shows the significance of actors' profile in which they can play the role of organisational communities by

making relationships between logics either cooperative or competitive. There is literature which argues for the importance of agency in respect to two logics (e.g., Smets and Jarzabkowski 2013) but the importance of agency in constellations of logics has yet to be explored fully. Thornton et al. (2012) briefly raise the possibility of 'partial autonomy' of actors and agencies, and although there are already some institutionalists who have begun to argue for the importance of agencies (e.g., McPherson and Sauder, 2013; Delbridge and Edwards, 2013; Smets and Jarzabkowski 2013), studies mainly focus on the dynamics between two logics rather than constellations of logics.

9.4.6 Focusing on non-Japanese management practices in multiple geographical locations

Another potential research area might be contemporary Japanese MNCs across different geographical locations. So far, there is a body of literature which mainly discusses comparisons and contrasts between Japanese plants and local plants in a given location (e.g., Elger and Smith, 1994; 2005; Oliver and Wilkinson, 1988; 1992). There is less literature, however, discussing complexity across geographical locations within a Japanese MNC. Abo (2015) strongly implies the relationality of how Japanese manufacturing practices are implemented across Asia and West. In Asia, they are relatively accepted in the same way as in Japan, but in the West, they are often rejected and resisted. These geographical contexts need to be better understood.

9.4.7 Pursuing a quasi-ethnographic study

The last potential research concerns methodological perspective. Many institutionalists focus on macro and meso level studies. These studies adopt mainly quantitative methods and or textual analysis, rather than participant observation. Their method goes along with identifying a reifying institutional tendency yet fails to pay attention to the meanings of actors. In line with the same argument, this tendency to focus on the macro and meso level is true for Japanese management scholars (e.g., Elger and Smith, 1994; 2005; Oliver and Wilkinson, 1988; 1992) with some exceptions (Delbridge, 1998; Graham, 1994.). As Elger and Smith (2005) point out Western scholars lack 'area knowledge' of Japan, such as culture and languages. A quasi-ethnographic study needs to be pursued by scholars with area knowledge to provide nuanced, rich articulations of the meanings of actors.

Appendix

Table 14: A list of interviews

Date	Informant's title	Type of employment	Duration (min)
JHQ			
25 May 2012	Strategic planning directors	-	90
25 May 2012	Managers	Expatriates	60
25 May 2012	Managers	Expatriates	90
20 June 2012	Strategic planning directors	-	60
20 June 2012	Strategic planning directors	-	60
20 June 2012	Managers	-	60
28 December 2012	Strategic planning manager	-	60 (via telephone)
11 January 2013	Sales and marketing managers	-	180
16 January 2013	Strategic planning managers and directors	-	120
18 January 2013	Strategic planning managers and directors	-	60
JTHAI			
27 June 2012	Managing director	Expatriate	30
27 June 2012	Secretary	Local	60
27 June 2012	Senior sales manager	Expatriate	120
27 June 2012	Sales manager	Local	60
27 June 2012	Sales manager	Local	60
27 June 2012	Sales manager	Expatriate	60
28 June 2012	Sales manager	Local	60
28 June 2012	Sales engineering manager	Expatriate	70
2 July 2012	Sales assistant director	Local	80
2 July 2012	Sales manager	Local	60

2 July 2012	HR manager	Local	80
2 July 2012	Sales director	Local	70
3 July 2012	Secretary	Local	60
3 July 2012	Senior sales manager	Expatriate	80
3 July 2012	Senior sales manager	Local	60
3 July 2012	Managing director	Expatriate	60
3 July 2012	Managing director	Expatriate	30
9 July 2012	Sales staff	Local	60
9 July 2012	Sales manager	Local	60
9 July 2012	Sales manager	Local	60
3 July 2012	Managing director	Expatriate	60
4 December 2012	Senior sales manager	Expatriate	180
19 December 2012	Senior sales manager	Expatriate	60
23 December 2012	Senior sales manager	Expatriate	180
21 January 2013	Senior sales manager	Expatriate	60
21 January 2013	Sales assistant director	Expatriate	60
23 January 2013	Senior sales manager	Expatriate	60
23 January 2013	Senior sales manager	Expatriate	60
23 January 2013	Sales staff	Local	60
JTAIW			
16 July 2012	Managing director	Expatriate	200
16 July 2012	Secretary	Local	80
16 July 2012	Sales director	Local	80
16 July 2012	Managing director	Expatriate	60
17 July 2012	Sales manager	Local	60
17 July 2012	Managing director	Expatriate	60
17 July 2012	Sales deputy director	Local	70
17 July 2012	Sales director	Expatriate	80
17 July 2012	Sales manager	Expatriate	80
18 July 2012	Sales staff	Local	60
18 July 2012	Sales manager	Local	60
18 July 2012	Sales director	Local	60
18 July 2012	Managing director	Expatriate	60
20 July 2012	HR manager	Local	70
JEU			

26 April 2013	Managing director	Expatriate	60 (via telephone)
6 May 2013	Managing director	Expatriate	180
7 May 2013	Managing director	Expatriate	120
7 May 2013	Corporate director	Local	60
7 May 2013	Secretary	Local	60
7 May 2013	HR manager	Local	60
7 May 2013	Managing director	Expatriate	60
8 May 2013	Managing director	Expatriate	60
8 May 2013	Sales manager	Local	80
8 May 2013	Sales staff	Local	60
8 May 2013	Sales staff	Local	50
8 May 2013	Logistic manager	Local	60
JUSA			
11 April 2013	Vice president (sales & marketing)	Expatriate	60 (via telephone)
9 August 2013	Vice president (sales & marketing)	Expatriate	60 (via telephone)
12 August 2013	Vice president (sales & marketing)	Expatriate	180
12 August 2013	Secretary	Local	60
12 August 2013	Vice president	Expatriate	60
13 August 2013	Assistant engineering manager	Local	60
13 August 2013	Engineering manager	Expatriate	90
13 August 2013	Outside sales manager	Local	90
13 August 2013	Outside sales manager	Local	60
13 August 2013	Vice president (sales & marketing)	Expatriate	60
14 August 2013	Vice president (operation)	Local	90
15 August 2013	Senior accountant	Expatriate	50
15 August 2013	Inside sales manager	Local	70
15 August 2013	Marketing director	Local	70
15 August 2013	Inside sales staff	Local	60
15 August 2013	Production staff	Local	50

15 August 2013	President	Local	90 (via telephone)
15 August 2013	Senior manager	Expatriate	80

Table 15: A list of events

Date	Event	# of participants	Duration (min)
JHQ (Tokyo, Japan)			
15 June 2012	Dinner	10	120
Seminar house in Izu Shizuoka, Japan			
15 November 2014	Asian MD (Management directors) Meeting	20	480
15 November 2014	Lunch and dinner	20	180
16 November 2014	Asian MD (Management directors) Meeting	20	240
JTHAI (Bangkok, Thailand)			
25 June 2012	Strategic communication seminar	18	480
25 June 2012	Lunch and dinner	6	200
26 June 2012	Strategic communication seminar	18	480
26 June 2012	Lunch and dinner	5	200
27 June 2012	Lunch and dinner	5	180
28 June 2012	Lunch and dinner	5	180
2 July 2012	Lunch and dinner	3	180
9 July 2012	Management meeting	10	180
4 December 2012	Lunch	2	60
19 December 2012	Lunch	2	60
21 January 2013	Lunch	2	60
JTAIW (Taipei, Taiwan)			
16 July 2012	Lunch and dinner	4	180
16 July 2012	Lunch and dinner	4	180
17 July 2012	Lunch and dinner	4	180
18 July 2012	Lunch and dinner	4	180
19 July 2012	Quality meeting	10	180

20 July 2012	Lunch and dinner	3	180
JEU (Brussel, Belgium)			
6 May 2013	Lunch and dinner	2	180
7 May 2013	Lunch and dinner	2	180
8 May 2013	Lunch and dinner	2	180
JUSA (Santa Clara, California and Phoenix Arizona, the US)			
11 August 2013	Dinner	Sales and marketing	180
12 August 2013	Lunch and dinner	4	180
13 August 2013	Lunch and dinner	4	180
14 August 2013	Lunch and dinner	4	180
15 August 2013	Lunch and dinner	4	180
16 August 2013	Weekly meeting	3	120
16 August 2013	Lunch and dinner	4	180

Table 16: A list of documents

Type	# of issues	# of pages per issue	Total pages
'100 years of history of JapanCo'	1	549	549
Country presentation at each subsidiary (ppt slides)	4	50	200
Investor Relation (IR) report (Japanese)	5 (years)	60	300
Investor Relation (IR) report (English)	5 (years)	60	300
Investor Relation (IR) presentation (Japanese)	4 per year (3years)	10	120
Investor Relation (IR) presentation (English)	4 per year (3years)	10	120
JapanCo group PR magazine (Japanese)	4 per year (3years)	8	96
JapanCo group PR magazine (English)	4 per year (3years)	8	96
"OldJapanCo strategic management" (published book)	1	200	200

Table 17: The history of JTHAI

Phases	Year	Events
Initiation	1985	Started joint venture with ThaiCo
	1989	Established sales representative in AmericaCo Thailand
	1995	Incorporated JTHAI (JTHAI) 1 st Japanese president appointed
Stagnation	1997	Asian financial crisis occurred The company operated at a loss 2 nd and 3 rd Japanese presidents appointed
Expansion	2002	The economy recovered and many Japanese manufacturers started to transfer their factories to Thailand The company generated profit 4 th and 5 th Japanese presidents appointed
	2004	Reached more than 100 employees, hiring new graduates
	2006	Established the Valve Maintenance Service Center in Rayong Changed organisational structure from functional to divisional (Thai managers appointed for the first time)
	2007	Established a sales office branch in Amata
	2010	6 th Japanese president (who was hired from another Japanese company) appointed.

Figure 26: The organisational chart of the Advanced Automation division in JTHAI

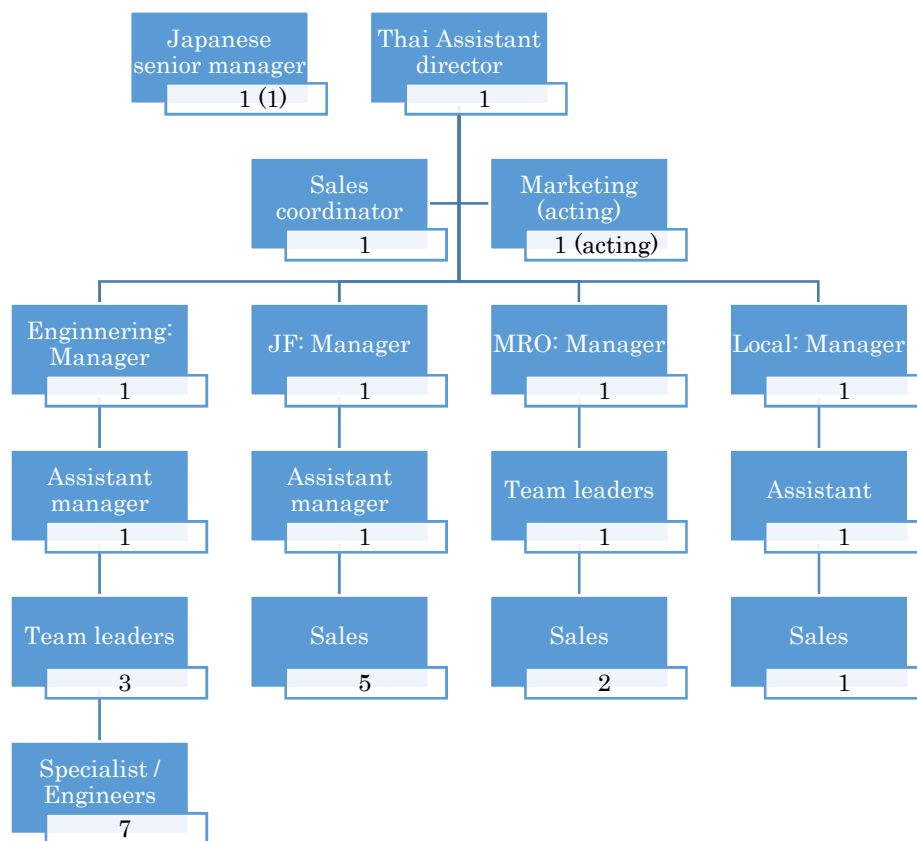


Figure 27: The organisational chart of the Building Automation division in JTHAI

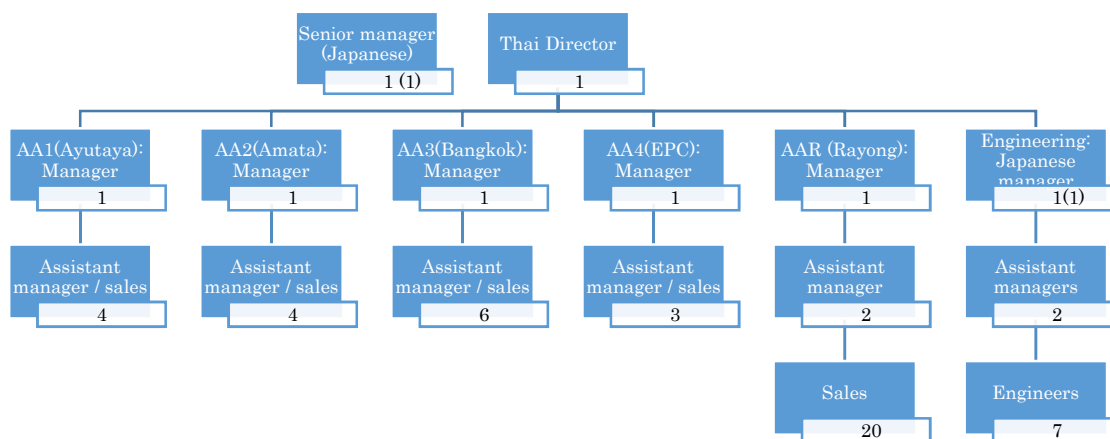


Table 18: The history of JTAIW

Phases	Year	Events
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Initiation	1969	Established a representative office in AmericaCo
	1997	Asian financial crisis
	1999	Incorporated JapanCo Taiwan; first Japanese president appointed
Expansion	2002	Started to generate profit by active sales to Japanese manufacturers in Taiwan; second Japanese president appointed
	2007	Third Taiwanese Japanese president appointed; expanded the business and recruited more than 10 employees, resulting in around 50 employees; caused accounting scandal and withdrew from his position
Stagnation	2009	Fourth Japanese president appointed (who had been the first president)
	2010	Fifth Japanese president appointed Management philosophy launched

Figure 28: The organisational chart of AA division in JTAIW

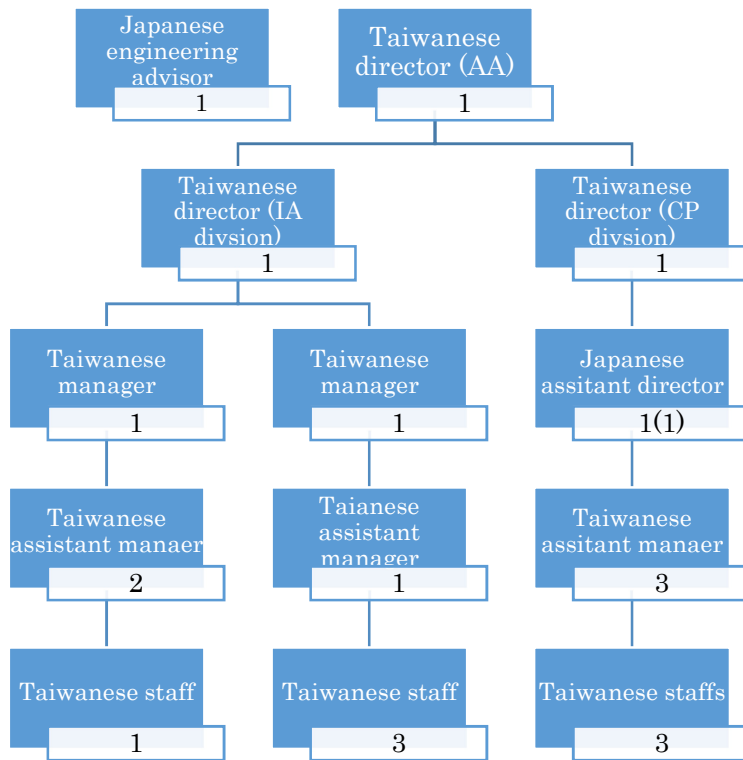


Figure 29: The organisational chart of BA division in JTAIW

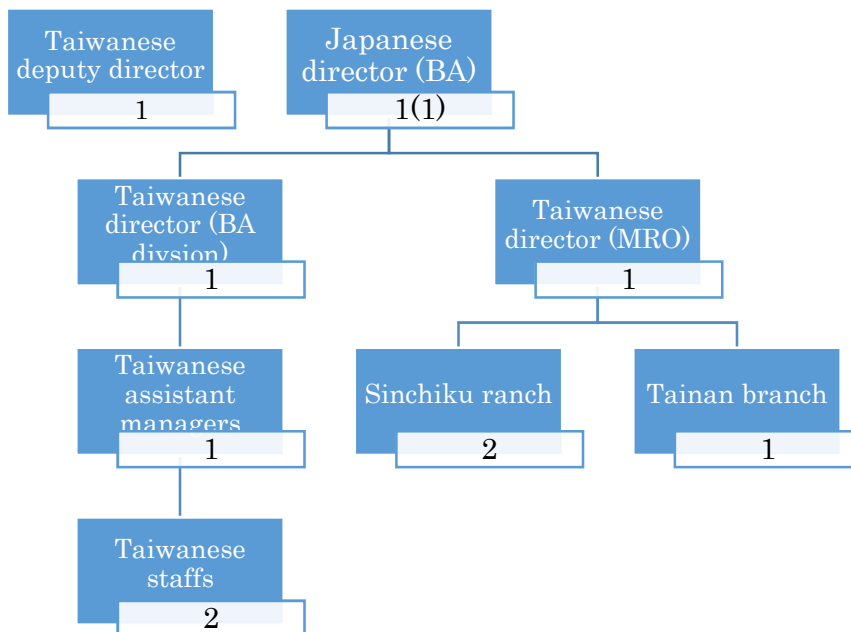


Table 19: The history of JUSA

Phases	Year	Events
Initiation	-1996	Managed sales office in AmericaCo

	1996	Established Control Valve USA and first Japanese president appointed
	1998	Acquired an American valve manufacturer
	2001	Established Sensing Control another company
	2002	Second Japanese president appointed at Control Valve USA
Restart/ Growth	2003	End of strategic alliance with AmericaCo Cleared the acquired the American valve manufacturer
	2005	Third Japanese president appointed at JapanOldCo Control Valve USA
	2008	Financial crisis (Lehman Shock)
	2009	Consolidated all subsidiaries into JUSA
	2010	First Japanese president appointed at JUSA American Biological company acquired and merged with
Expansion	2012	Second Japanese president appointed at JUSA American meter manufacturer acquired

Figure 30: The sales and marketing organisational chart in JUSA

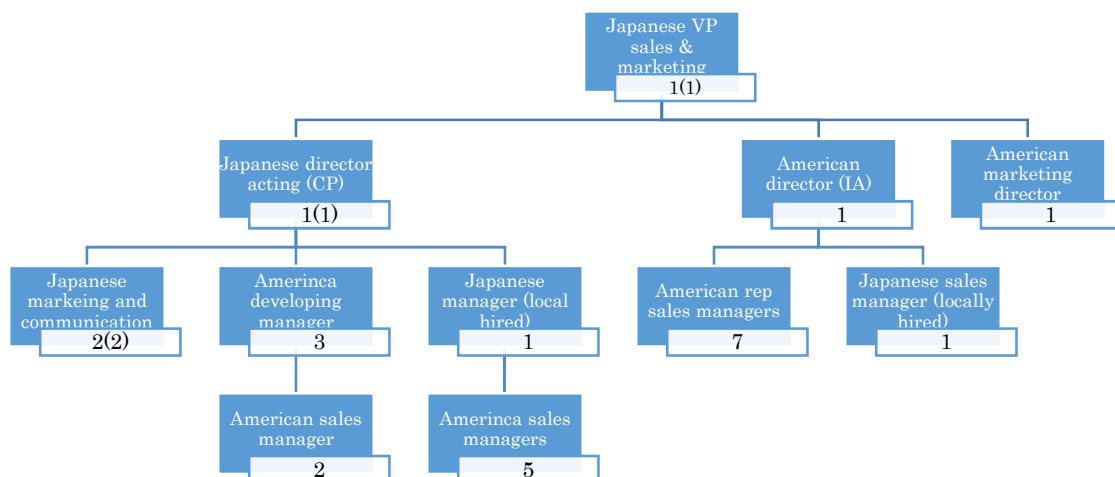


Figure 31: The operations organisational chart in JUSA

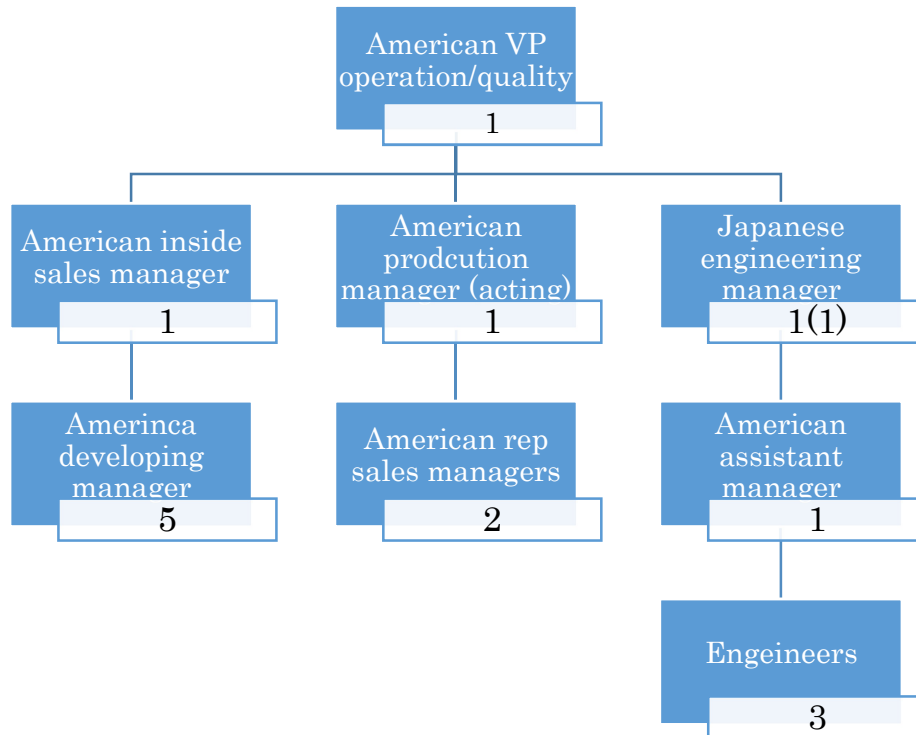


Table 20: The history of JEU

Phases	Year	Events
Initiation	1989	Sales representative of JapanCo established in AmericaCo Europe
	2001	JapanCo Europe established in Belgium First Japanese president appointed
	2003	Ended strategic alliance with AmericaCo
Expansion	2004	Second Japanese president appointed Expanded up to 15 employees
Stagnation	2008	Financial crisis occurred (Lehman Shock)
	2009	Third Japanese president appointed (hired in the middle of his career) JEU from restructured from 15 to 8 employees, resulting in fierce resistance and confrontation

	2012	Fourth president appointed Started strategic initiative to expand business again
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