

Chapter 94

Transferring Japanese Management Practices in Asia and the West

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ABSTRACT

This chapter aims to identify and investigate the transferability of Japanese management practices in Asia and the West. Through a review of existing literature regarding Japanese management practices in Asia and the West, it attempts to identify and further explain how Japanese management practices can be (non-)transferrable into different national contexts. In the past, work on Japanese management practices had mainly focused on their cost-effectiveness in the Western countries. In and after the 2000s, however, this focus on the Western contexts has been gradually shifting to Asia institutionally (i.e., local labour market and regulations) while becoming culturally closer to Japan (i.e., in terms of national culture, such as collectivism and hierarchy). This chapter therefore tries to establish whether or not Japanese management practices can be (non-)transferrable into Asian contexts; if so, why so? If not, why not?

INTRODUCTION

This chapter aims to identify and investigate the transferability of Japanese management practices in Asia in comparison with those of the Western countries. Through a review of existing literature regarding Japanese management practices in Asia and the West, it attempts to identify and further explain how Japanese management practices can be (non-) transferrable into different national contexts.

In the past, work on Japanese management practices had mainly focused on their cost-effectiveness in the Western countries. For example, in the 1980s and 1990s when Japanese practices were viewed as ‘best practice’ in the West (Endo et al., 2015), debates in the literature concerned whether such practices as Total Quality Management (TQM), Quality Circle (QC), Human Resource Management (HRM), long term employment and strategy, seniority, decision by consensus, teamwork and harmony, company

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loyalty, etc. could be accepted in the different institutional and national contexts in which Japanese multinational corporations (MNCs) operated (e.g., Oliver & Wilkinson, 1988, 1992; Elger & Smith, 1994). These discussions, therefore, focused on the different institutional contexts in the host country which came into conflict with the highly contextually-anchored 'Japanese' practices in terms of labour relations (Oliver & Wilkinson, 1988, 1992). By the 2000s, however, as the Japanese economy stagnated, these ideas seem to have become less appealing to academics and managers (Endo et al., 2015). The comparative case study of Elger and Smith (2005) exemplifies the work of this period in concluding that the previous notion of Japanese MNCs in the United Kingdom (UK) had transformed into a concept of hybrid management where Japanese management practices were combined with non-Japanese ones.

In and after the 2000s, however, this focus on the Western contexts has been gradually shifting to Asia institutionally (i.e., local labour market and regulations) while becoming culturally closer to Japan (i.e., in terms of national culture, such as collectivism and hierarchy). This is because, like other MNCs, Japanese MNCs are becoming more regional, rather than more global. Collinson and Rugman (2007, 2008) argued that Japanese MNCs tend to invest and operate in their home region in Asia. Indeed, the relatively recent work of Abo (2015) expresses the importance of the national cultural contexts where 'Japanese management practices' are transferred and conducted. He implies that the practices are accepted, rejected or modified largely due to each national cultural context, in addition to institutional contexts.

Other recent studies lend support to this claim by analysing human resources practices in Asian countries, such as Thailand (i.e., Hill, 2007; Busser, 2008; Furusawa & Brewster, 2017). One theme of research in that respect, shows how aspects of Asian culture, as well as religious similarities with Japan, create a shared 'group consciousness', which Abo (2015) has identified as influencing the transferability of Japanese firms' practices in Asia. In addition, the review paper of Liden (2012) also emphasises national cultural contexts in Asia by pointing to how types of ideal leadership in Asia based on harmony and benevolence and "characterized by cultures that are high context, high in collectivism, and high in power distance (p. 206)" differ from those of the West that are based on competitiveness. That said, the degree of the transferability may also be due to specific institutional and cultural aspects in a host country. For example, Gamble (2010) argued that long-term employment is difficult to adopt in China due to the shortage of skilled local labour, whereas a Japanese style of customer service is seen as innovative and is being gradually adopted.

In summary, the focus of much of the previous literature fails to compare and contrast the transferability of Japanese management practices in the West with those of recent studies in Asia. Upon reflection, the old literature implicitly assumes the transfer of Japanese manufacturing practices into Western contexts. While the contexts of implementing Japanese management practices were well elaborated in the West from the 1980s to the 2000s, they have not been well considered and discussed more recently. Reflecting on the old Japanese management literature between the 1980s and 2000s, this primarily discussed the acceptability of the practices in the Western countries, such as the USA, Canada, the UK and other European countries (e.g., White, 2002; Elger & Smith, 2005). The focus of this work on the Western context in 2000s can be misleading and incomplete and there is an urgent need for empirical case studies based in Asia. As Williams et al. (1994) indicated, the social and institutional context of Western management is 'very far from Japan'. Since the 2000s there has been more scholarly focus on regionalisation and a realisation that Japanese firms are investing and operating more in their home region than non-home regions (Collinson & Rugman, 2007, 2008). The apparent discrepancy between the old Japanese management research in the West and the emerging Japanese management studies in other cultural contexts, such as Asia, has not yet been explored in depth.

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