INTERNATIONALISATION OF JAPANESE COMPANIES: A REVIEW OF PERPLEXING ISSUES

DR NIGEL J HOLDEN
LECTURER IN MARKETING
MANCHESTER SCHOOL OF MANAGEMENT
UNIVERSITY OF MANCHESTER
INSTITUTE OF SCIENCE AND TECHNOLOGY
P O BOX 88
MANCHESTER M60 1QD

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Dr Nigel J Holden
Manchester School of Management
University of Manchester
Institute of Science and Technology
P O Box 88
Manchester
M60 1QD

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An examination of the concept of internationalisation in the Japanese business context reveals some unexpected factors which have a great bearing on our understanding of the international behaviour of Japanese corporations. This paper will examine some of these key culture-specific factors including Japanese qualms about themselves as cross-cultural communicators, their visions of 'West-eclipsing' economic and technological grandeur, their sense of uniqueness, and uncertainties about handling relationships with non-Japanese employees. It is argued that these factors will inhibit Japanese companies from achieving 'true' internationalisation for the foreseeable future and that the term 'ethnocentric globalism' best describes Japanese endeavours so far.
INTRODUCTION

The term internationalisation is one of the major management themes and preoccupations of the 1990's. It combines the idea of globalisation of business with 'the creation of managers who can physically operate across different national boundaries and the development for managers who in their minds can also travel across boundaries by understanding the international implications of their work' (Barham and Rassam, 1989). One of the most potent ideas in internationalisation is that the nationality of firms and managers is less important than the capacity to pool the widest range of human resources available to an enterprise for the furtherance of its global business.

For their part, Japanese firms, who in a geographical and physical sense represent some of the most globalised concerns on this planet, are trying hard to become more internationalised. But there is a problem. Japanese firms, being strongly ethnocentric in their thinking and behaviour, find it very difficult to forget that they are Japanese. This paper will explore the incompatibilities inherent in this ambivalent attitude, suggesting that 'true' internationalisation is and will be for Japanese firms an uncertain and irksome process.

INTERNATIONALISATION: A BRIEF CONTRASTING OF WESTERN AND JAPANESE ASSUMPTIONS

In Western management practice the word internationalisation refers to a complex set of issues which can be seen to cluster around three broad topics: the organisation of the global enterprise, cross-cultural management, and the see-saw argument about standardisation versus customisation of products (Barham, K., Fraser, J., Heath, L., 1988).

Under this broad typology, the focus of attention can be directed towards the firm, in which case internationalisation is seen either as a process relating to sequential dependence on overseas sources of revenue (see: Kaynak, 1984); or in terms of organisational adaptations,
involving factors such as management style, contact patterns, information flows and product development (see: Hakansson, 1982). Alternatively, the focus of attention can be on managers and management: and here the issues are seen either in terms of policy implications or in terms of enhancing the capability to act 'effectively' (to use that convenient, almost lifeless word) in foreign business environments.

The actions of Japanese corporations could be interpreted from any of the above perspectives singly or in combination. But interpretations so arising may not take full account of the culture-specific dimensions to internationalisation. The central dimension to grasp is that it is impossible in the Japanese context to detach any idea of internationalisation from Japan's keen sense of communication malaise in handling relationships and sharing values and experiences with non-Japanese.

Inextricably bound up with communication malaise is an attitude which, to quote Morley (1985), is 'a national prejudice...that foreigners and the Japanese way of life must almost as a matter of principle be wholly incompatible'. The distance which communication malaise imposes between the Japanese and foreigners means that the Japanese feel themselves to be not only universally misunderstood, but also deprived of attaining their great national aspiration: the according of the admiration of the rest of the world for Japanese contribution to world culture for economic and technological achievement.

This malaise, which therefore embraces a good deal more than perennial Japanese anxieties about being misunderstood, is one of the most serious impediments preventing already globalised Japanese companies from becoming genuinely multinational. In a word, it does not merely constrain their capacity to learn how to do so. This means then that 'Japanese-style internationalisation' subsumes a complex set of themes whose ramifications extend well beyond, say, the restructuring of relationships (a) within corporations and (b) with their overseas subsidiaries and other affiliates. But, before tackling the thorny issue of communication malaise, we need to understand more clearly some wider implications of internationalisation in relation to Japanese firms and the Japanese economy.
INTERNATIONALISATION: THE GENERAL STRATEGIC CHALLENGE

Here we are concerned with internationalisation as an aspect of strategic direction concerning determination to meet or to pretend to meet the challenge of the repositioning of Japanese companies through the multinationalisation or, to use the current expression in vogue, 'global localisation'. An article in The Economist in June 1989, under the title 'The multinational, eastern style', sums up the nature of this challenge with a cautionary sting in the tail:

'Reluctantly, but inevitably, Japan's big companies are learning to do what western ones did decades ago - to go multinational. Many Japanese firms have had factories and sales offices abroad for years. But their product development, marketing, financing and investment plans, have been directed from Japan. That made them merely Japanese corporations with overseas subsidiaries. Traditional multinationals like Ford, IBM, and Nestle have tended to operate globally with regional headquarters making all the regional decisions. Learning to operate in truly global fashion is the biggest hurdle facing Japanese companies and one they could yet stumble over'.

We find the same theme highlighted in a book co-authored by James Abegglen, founder of the Boston Consulting Group and distinguished chronicler of Japanese business and management (Abegglen and Stalk, 1985). It is worth quoting two connected passages at length (the word 'kaisha' is the standard Japanese word for company, but in this context refers to major corporations):

'(T)he kaisha have some special handicaps in the effort to become international. First, they are based in a notably homogenous society, with little experience of differences in religion, race, and culture. Second, the kaisha are notably integrated institutions. How does one integrate a non-Japanese speaking foreigner who is some thousands of miles from the company's main facilities, into the culture of Hitachi or Toyota or Nippon Kokan? Trial efforts at extended residence in Japan have been made - with the looming risk that after all the investment, the foreign employee will leave to work elsewhere. It is not clear that any Japanese company has yet developed a system to deal with these problems of personnel selection, training, and motivation as the kaisha move to be multinational'.

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Furthermore:

'To succeed abroad, a good deal of management authority has to be given to local management. But as local managements come to comprise an important part of the total kaisha, they need a voice in corporate affairs...(The) inability to consider foreigners in the management of Japanese companies is a measure of the magnitude of the problem of the kaisha becoming multinational'.

Abegglen and Stalk go on to say that the personnel issue is 'perhaps the most dramatic' of the challenges facing the big companies in their bid to internationalise.

Thus a major strategic challenge for Japanese firms is to accept that non-Japanese must somehow be given more direct responsibility and opportunity for genuine promotion within the company at the local level. In other words, there has to be letting-go from the centre. But this is no easy thing. For companies must overcome severe impediments associated with wariness, distrust and lack of knowledge about the world beyond Japan. As the German commentator, Gerhard Dambmann (1985), points out, to the insular Japanese this is 'a strange' separate, other world, to which inner-Japanese norms and criteria are not applicable'.

INTERNATIONALISATION AND VISIONS

Ronald Dore (1986), has noted that 'Japan is perhaps the most future-oriented of all industrial societies'. In companies future-orientation is manifested in visions. The striking feature of these visions is, as we shall see, that they extend beyond, as it were, the normal parameters of business: they herald a new era of world civilisation achieved through herculean Japanese efforts. Thus it is possible to characterise Japanese corporations as driven by a vision-led striving towards long-term business and social goals, whose achievement will not only ensure economic well-being for those corporations, but will also contribute to universal prosperity and understanding (Holden, 1988). Achievement will also be to the greater glory of Japan.

There is no hyperbole here, as the following examples make clear (Holden, 1990). Consider 'The Basic Objective' of the Matsushita Electric Industrial Company, a member of the world's biggest electronics
company: 'To recognise our responsibilities as industrialists to foster progress, to promote the general welfare of society and _to devote ourselves to the further development of world culture_' (added emphasis). In the case of Yamanouchi Pharmaceutical Company, new recruits are imbued with ideals which stress 'hard work and team-work, a commitment to company growth, a striving to improve the health of the world and to improve Japan's standing in the world' (quoted in: Holden, 1990).

Nissan, which proclaims itself to be the most internationalised Japanese car-maker, pledges itself to 'contributing to the ongoing progress and enrichment of society', which is unlikely to refer only to Japanese society (see: Goto, 1987). As for NEC, the former Chairman, Dr. Koji Kobayashi (see chapter 3), expressed the view at an international telecommunications forum in 1987 that 'the vision of (NEC's) Global Integrated Communication Networks and Services... is one which promises to bring peace, harmony, and prosperity for all humankind' (Kobayashi, 1987).

It seems impossible not to associate these global visions with what appears to be one of Japan's most striking characteristics, already discernible in the late 19th century: the inclination to conjure up a new world order in which Japan, through superior spirit, is its acknowledged leader. In the 1930's and 1940's, this world order applied to East Asia, where the Greater East Asia Co-prosperity Sphere (which never actually came into being), would create 'an autarkic community governed by reciprocity and interdependence' and Japan would be 'the towering metropole', the overwhelming dominant hub of the great autarkic bloc' (Dower, 1986).

That particular vision evaporated in the irradiated cinders of Hiroshima and Nagasaki in 1945. But, if before 1945 Japan's visions were confined to East Asia, today they are literally world-embracing. And some commentators not only see a certain irony in this instance of history appearing to reproduce itself in ingenious and subtle ways: they also perceive something altogether more sinister: namely, the long-term attempt by Japan to dominate the world's (ie the West's) strategic industries and concentrate production in Japan (e.g. Zengage and Tait Ratcliffe, 1989) and even spread Japanese values (for example, as 'enshrined' in Japanese management).
Consider the following. The director of economic research at the celebrated Nomura Research Institute is on record as saying: 'The 21st century will show Japan as an exporter of culture and information to the rest of the world'. He also contends that 'the US economy can no longer survive without Japanese enterprises' and so it will be necessary for Japan to assume 'the true leadership of the world economy' (Der Spiegel, 47/1989). In a further reference to this 'leadership vacuum', Mr. Akira Nambara, a Director of the Bank of Japan, has stated: 'Some country has to take over the role which the USA has played after the war. It will take the USA time to get rid of its deficits. In the meantime, we can take over the role of expanding and stimulating the world economy' (Der Spiegel, 47/1989).

There is, of course, a great danger in drawing analogies between the Japan of the Pacific War and the Japan of the 1990s. As the historian, John Dower (1986), wisely points out: 'The potential for misreading and misusing the war for current (political) purposes is immense'. Yet, when we read statements from such influential and senior Japanese businessmen about the necessity or desirability of Japan assuming responsibility for the world's economy, we can rest assured that their felicitous speculations meet with wide-spread approval in Japanese business circles.

But what influential Japanese advocates of Japan's 'rightful' arrogation of global economic stewardship tend to overlook is that their outbursts of 'economic patriotism' can all too readily invoke memories of Japan's war-time vision for (and military conduct in) East Asia. After all, if we compare the defunct vision of the Greater East Asia Co-Prosperity Sphere with the 'new' vision, the common link is that the 'unique' Japanese people is seen to be benevolent, holding the key to wider progress and prosperity - and in great need of access to raw materials. But there is also a crucial disparity between the two visions. In the war-time version, Japan was not much interested in communicating with the peoples of East Asia; in today's version the idea of communication snaps not just the Orient but the entire world. This opens up a
hornet's nest because Japanese attitudes to communication with foreigners are complex and bizarre.

LANGUAGE AND COMMUNICATION MALAISE

In order to explain Japan's phenomenal success in international economic activity, it has been noticeably fashionable to attribute multilingual capability to Japanese businessmen. A scholar of language (but not of language and business), informs us that: 'The Japanese are forced to learn other languages in order to trade with the rest of the world: they speak Arabic when they deal in the Middle East and they speak Spanish in Latin America, or they speak English, the growing lingua franca of international trade, just as they do in their dealings with the anglophone world', (Wardhaugh, 1987).

In an equally admiring vein, a leading text on Japanese global marketing activities specifically highlights Japan's ability to overcome her post 'lack of facility in English and European languages' (Kotler et al 1986). Such, no doubt sincerely advanced suppositions about Japanese linguistic expertise in the international business arena are, unfortunately, nothing but half-truths.

These idealisations may sound plausible enough, but it is essential to take account of the complexity of Japanese attitudes to dealing with foreigners and the Japanese sense of near-helplessness when it comes to learning foreign languages and using them. On this latter point, one of the world's foremost experts on the Japanese as communicators has stated that they 'have so far been among the least proficient speakers of foreign languages in the world' (Neustupny, 1987). All Japanese companies are aware of this deficiency and would incidentally find it ironic that some commentators are actually praising their linguistic prowess.

One of Japan's foremost linguistic scholars, noting how difficult it is for Japanese to master European languages, points out that the typical Japanese, who has studied English 'in high school eight hours a week for five years is barely able to read the labels on canned goods' (Kindaichi, 1978). Much water has passed under the bridge since that
was written, but it does crystallise a fundamental point: for most Japanese the learning of languages is an arduous, laborious and often little liked task. Furthermore, as with the teaching of French in UK schools, so in Japan the teaching of English tends to be a demotivating experience and to kindle rather than extinguish insular flickers of xenophobia.

But the major companies in Japan, with their massive overseas commitments, have no option but to provide extensive tuition in English and increasingly in other languages not just in bursts, but on a sustained basis throughout careers (Holden, 1989). As a result, all major Japanese companies develop cadres with a wide range of proficiency in English, and it must be said that Japanese businessmen who have spent several years abroad, often have an excellent command of English but many too speak a kind of English which is 'well-intentioned, but impenetrable' (Morley, 1985). But, beyond that, as Christopher (1984) explains: 'so great is the basic insularity and introversion of Japanese culture' that many nominal speakers of English in Japan find it 'almost impossible...to develop any real comprehension of the psychology of English-speaking peoples'. Thus, when considering company-sponsored language learning in Japanese companies, it is as well to be aware of the wider context in which it takes place.

As has been made plain, Japanese attitudes to non-Japanese and, therefore, to communication with them at the personal and corporate levels of interaction are complex and perplexing. The essence of the contemporary problem has been admirably summed up by Reischauer (1984):

'Since the great majority of Japanese, including the leadership, lives largely behind their linguistic walls.... (they) are not aware that Japan is as intellectually isolated as it is or that to others it sometimes appears to be a tongue-tied giant or a sinister outsider on the edges of world society. Only slowly have they begun to realise the need for others to understand Japan better and for the Japanese to know more about the rest of the world. For both these purposes a great improvement in language skills is mandatory'.

As far as company-sponsored language learning is concerned, the following attitudinal and intellectual factors exercise a considerable influence:
1. The very idea of foreign-language learning in the context of Japanese organisations is synonymous with training for international communication. Japanese companies know that the very bottom line for international communication is proficiency in the English language: a Japanese firm without some kind of capability in the English language is severely handicapped in any kind of dealings with the rest of the world.

2. Language-learning is closely bound up with (a) the traditional aura in Japan about learning both as a means and end in itself (Dore, 1988): and (b) the general Japanese belief that correlation exists between educational attainment and business success at some point in the future, however remote.

3. Language-learning is linked to the quest to create an internationalised orientation: is regarded, therefore, as an antidote to solving Japan’s image problem – whilst maintaining (and ensuring) Japanese international competitiveness and, in some key sectors, outright dominance.

4. Japanese companies do not just see foreign-language ability as a means of sustaining and improving sales performance; it is continually required for two vital areas of Japan’s competitiveness: (a) enhancing the sophistication of international marketing research activity and economic intelligence performance; and (b) upgrading the ‘cultural awareness’ of managerial and other staff who are required to help run not just sales offices, but entire manufacturing operations on a world-wide basis.

5. The Japanese tend to take a politely flattering, yet fundamentally patronizing view of foreigners’ attempts to master Japanese (Miller, 1982): Reischauer, 1984). So, far from a knowledge of Japanese assisting contacts, it can on occasion be counter-productive, because ‘though they are reluctant to admit it, nearly all Japanese are rendered even more uncomfortable by non-Japanese who speak fluent Japanese and have mastered the nuances of Japanese society and culture’ (Christopher, 1984). Here we encounter a central tenet of Japanese epistemology, which interlocks language, race and culture.
For to the Japanese, their 'unique' language is not just one among many of the world's linguistic systems, but is 'a system of mystical experiences' (Miller, 1977), which is 'unfortunately' beyond the understanding of foreigners.

6. Because, therefore, of the anxiety and uncertainty which many Japanese experience when dealing with foreigners at the personal level, it is not an exaggeration to suggest that as a race the Japanese suffer from a communication malaise. It can be tentatively suggested that the root of this anxious condition is an awareness that foreign languages are alien media for the expression of Japanese thoughts and ideas, and that the learning of a foreign language involves a certain loss of Japaneseness. Both factors are related to Christopher's point to the effect that many Japanese simply fail, or do not wish, 'to develop any real comprehension of the psychology' of non-Japanese.

7. Against all that, foreign-language capability is seen both as one of the principal antidotes to this condition and as a major means of entering the way of thinking of foreign business associates and customers.

In ways that foreigners find hard or even superfluous to grasp, the issue of language is central to any understanding of the social psychology of the Japanese and their perceptions of relationships with foreigners, and not least in business interactions. It is well worth heeding these remarks of the authoritative Reischauer (1984): 'Language is a fundamental tool in international relations, and the Japanese language is also a major subject in itself. It is what defines Japanese culture more distinctly than any other feature of their culture. At the same time, it is a major problem of their relationship with the outside world... Few people in Japan or elsewhere, fully realise how great the language barrier is in Japan's international contacts'.
THE PROBLEM OF 'UNIQUENESS'

The Japanese have 'unique' intestines and the snow that falls on Japan's ski resorts is also 'unique': such anatomical and meteorological peculiarities have been invoked by Japanese customs officials to prevent imports of foreign meat and foreign skis. The 'unique' Japanese race does not only speak the 'unique' Japanese language, it inhabits islands which enjoy 'a unique geographical setting' (Hijirida and Yoshikawa, 1987). Needless to say, the Japanese brain is 'unique' and so, by extension, is the Japanese way of thinking (for a withering discussion on this and other aspects of uniqueness, see: Miller, 1982); and so, of course, is Japanese management.

All these ideas are bound up with the relative ethnic homogeneity of the Japanese, their insular location, and their creation of a culture, not only unlike that of their near-neighbours in some striking respects, but able to retain its distinctiveness through thick and thin. The fact that this same culture is now, to make use of Dower's (1986) phrase 'at the cutting edge of management and technology', is, of course, all grist to the uniqueness mill. Everything about their existence and experience on this planet conspires to suggest to the Japanese in the most vivid terms that they are especially different from all other peoples. As Reischauer (1984) puts it: 'the Japanese sense of distinctiveness - not necessarily of superiority or even of nationalism - is itself very distinctive'.

A key facet of the Japanese self-image of their own uniqueness is that it is accompanied by a highly developed sense of exclusivity. Dambmann (1986) puts things in a nutshell:

'While everybody is making heavy weather of understanding Japan, the Japanese feel themselves misunderstood by the rest of the world. For the broad, overwhelming majority of all Japanese, the human race in point of fact consists of two categories: of the Japanese and everybody else'.

But more to the point is Dambmann's further observation that the Japanese

'appear to need the feeling of being on the outside and of being not understood by other people for the well-being of the national psychology' (fur ihr seelisches nationales Gleichgewicht)
The Japanese communication malaise and the concomitant sense of uniqueness and separateness make for uneasy relationships with foreigners at the national, corporate and personal levels of interaction. Foreigners, even foreign employees of Japanese firms, tend not to be aware of the delicacy of the issue from the Japanese point of view. Not surprisingly, perhaps, relationships between expatriate Japanese managers and local staff are ever fraught with 'communication problems', as countless books and articles on Japanese management overseas affirm.

'UNTRUSTWORTHY' LOCAL MANAGERS

In any discussion about relationships and issues of communication between Japanese and non-Japanese, it is impossible to paint a reliable picture. I therefore propose to make some fairly general comments and then illustrate key points with examples, entirely authentic but well disguised to preserve anonymity of companies and individuals, which have come my way over the last six years in numerous conversations with UK managers employed by major Japanese industrial and financial concerns. Although we are concerned with episodes which have occurred in the UK, what they reveal of Japanese attitudes to foreign employees may have wider relevance. First though, we need to make two major generalisations about Japanese management overseas.

The first one is that we must accept as a fact of life that relationships between Japanese and non-Japanese involve varying degrees of mutual misinterpretation, mystification and mistrust. According to Robert Christopher (1984): 'the majority of Japanese still find personal dealings with foreigners something of a strain'. Zimmerman (1985), for his part, speaks of a mutual unease, adding that 'there is a cultural gap so wide that many Westerners don't even know it is there'. Not for nothing, therefore, has Roy Andrew Miller (1982) written: 'In order to understand Japan, the world needs all the help it can get'.

The next generalisation is that the Japanese have shown themselves to be highly competent and respected motivators and trainers of industrial work-forces (a highly conspicuous achievement in Britain); but at the interface between Japanese managers and the most senior level of local managers, with whom they must work, relationships have tended to be marked by mutual wariness and mistrust.
Quite apart from the culture-related issues, a major source of aggravation is due to the fact that Japanese and British (and Western) managers have a different concept of the nature of managerial work (see, for example, Trevor and White, 1983).

Broadly speaking, we may say that the western manager is function-based and identifies himself (to some extent at least) with the somewhat amorphous profession of management. The Japanese manager will be more of a jack-of-all-trades (and master of a good many of them!) and the company, not some externalised abstraction, will be the pivot around which his destiny as an individual is wound.

Now to the episodes which exemplify aspects of Japanese managers' attitudes to UK managers. The first one continues the theme of the preceding paragraph. It concerns a UK manager with a major electronics group, who in a conversation with a Japanese manager referred to the company as 'our company'. The Japanese manager promptly corrected him, saying that he was not permitted to speak of 'our' company: 'it is my company'.

Another example of this attitude was revealed by a UK personnel manager with a Japanese financial institution. He noted that only Japanese members of staff wore company lapel badges. (In Japan virtually all businessmen belonging to the major corporations wear them). This minor act of discrimination being brought to the senior Japanese management's attention, UK staff were duly issued with their lapel badges, but encased in transparent plastic. This meant that they were 'entrusted' with the company insignia, but inhibited from displaying them on their person. The British are, of course, less concerned about such forms of company identification. But the implication is clear enough: foreign employees were less important as visible symbols of the company's expertise.

Another example concerns Japanese assumptions about local managers' commitment. According to Japanese mythology about such things, local managers in the UK may not be expected to remain long with the company on the grounds that they are likely to change to another employer (the Japanese polar opposite to life-time employment). Strikingly enough,
this new putative employer is often assumed to be a Japanese competitor and, when he moves there, the 'disloyal' managers will reveal the secrets of the first company. This is why (in Japanese eyes) one should not involve UK managers too closely in the decision-making and policy-formulation - even if they could understand the 'unique Japanese decision-making process'. Not all companies work like this. For example, the Nissan plant in NE England has a UK managing director.

But Nissan is a major exception and so is Sony which has a European and an American executive director (The Economist, 24 June 1989). But it is probably still true that the vast majority of Japanese corporations, when asked when 'foreigners (will) begin to take up positions in top management of the parent Japanese companies' will reply, 'no-one in Japan is prepared to consider that question yet' (Abegglen and Stalk, 1985). A telling example of Japanese attitudes on this topic was related to me by the UK marketing manager of a major Japanese electronics company.

In 1988, he accompanied a party of UK journalists on a company-sponsored tour of Japan, in the course of which there was a meeting with the President of the vast electronics empire. The UK manager primed one of the journalists to ask the President when there would be a non-Japanese main board director. The spontaneous reply was: 'not in my life-time', over my dead body, in other words. There and then the UK manager decided to leave this famous Japanese corporation, not because he conceivably saw himself as a main board director, but because the President's attitude confirmed to him that there was no advancement to positions of greater responsibility for foreign employees. The UK manager now markets the products of a Taiwanese competitor of his old company!

At least the President was being honest; the following example shows how one UK-based Japanese firm goes through all the appearances of giving its local managers a say in corporate decision-making. In this particular company immediately below the Japanese managers, there are five UK general managers covering personnel, finance, marketing, production and administration. On the company organisation chart, these managers are shown with the titles 'director designate'. However, there is no intention of appointing any of them to the main board of the UK subsidiary company. The Japanese managing director, when pressed on the
point, thought this was nevertheless a good idea because it showed that the company thought very highly of them.

The actions of this particular company are closely controlled from Tokyo and endless faxes and telephone calls pass between the Japanese senior managers and head office. For language reasons and because of the time difference between the UK and Japan, the 'directors designate' are excluded from involvement.

Their Japanese managers, being made aware of the resentment, yielded to a demand to hold monthly meetings involving Japanes and UK managers. Before these meetings, the agenda points which the UK managers wish to raise, must be approved by the Japanese managers, who thereby exercise rights of veto. But in any case, the meeting is not a discussion in a British sense and the UK managers know perfectly well that the Japanese management regard these get-togethers as a sham. The UK managers are somewhat cynical and demotivated.

This goes back to the point made earlier that the Japanese have no concept of management as a profession, as the following instance makes clear. A talented, business school trained financial manager, who had been a director of the subsidiary of a multinational company, accepted a highly attractively paid position with the London branch of one of Japan's leading banks. Ten years on, he is still waiting to move onto the local board, despite this inducement having been dangled before him when he first joined the bank. The manager described his time with this prestigious Japanese institution in these damning words: 'it has ruined my career'. In the headquarters of virtually any major Japanese corporation, such a remark would evoke total mystification (and, quite possibly, the standard Japanese ejaculation for such ambigious occasions: a throaty ha! ha!).

The Japanese failure to see things from a Western point of view is almost certainly bound up with the idea that non-Japanese employees cannot really be equal to Japanese members. This can, of course, lead the Japanese to be very intolerant of their non-Japanese colleagues. One problem is that the Japanese do not seem to have the concept of constructive criticism. Local managers who put forward ideas on
improving some aspect of company performance may be seen to be 'disloyal' and not having 'the right attitude'. Indeed, 'the moral tone with which "loyalty" is discussed by expatriate Japanese managers', has been noted by Trevor and White (1983).

The following example shows to what extent a Japanese manager, once persuaded of the 'disloyalty' of a member of local staff, will permit himself to upbraid the offender. The altercation took place between the Japanese technical director and a UK production manager. It transpired that the wife of the engineer had recently had a baby and there had been complications. At around 6.00 one evening, the engineer asked the Japanese manager if he could go home 'early' - at 6.30 to see his wife. Normally the engineer worked until around 7.00 in the evening, although he was contractually entitled to leave work at 5.30. His request resulted in a 90-minute dressing-down, communicated through the company's Japanese-lady interpreter. The essence of the charge was that his attitude to the company was 'wrong'. As a result of having to sit through this correctional tirade, he actually left the company even later than normal.

INTERNATIONALISATION OR RETENTION OF ETHNOCENTRIC GLOBALISM?

The various episodes in the preceding section reveal how difficult it can be for Japanese firms not only to adjust their style to meet local conditions and attitudes, but also to share information with their locally appointed staff. To develop a point alluded to earlier, a major aspect of the problem is that the 'normal' Japanese style of management operates on the basis of hints and oblique reference. This means that in Japanese organisations important management signals are transmitted informally. This approach, second nature to the Japanese, does not transfer easily to the 'confrontational' cultures of Western Europe or the USA. This is very probably one of the major sources of confusion between expatriate Japanese managers and their local staff in those countries. As The Economist (24 June 1989) has tellingly noted, Japanese firms operating abroad 'have never managed to develop formal means for transmitting business information' (added emphasis). And as The Economist further noted: 'Learning to do so in alien tongues will be wrenching'.

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Thus the challenge of internationalisation facing Japanese companies is awkward and the issue is further complicated by the fact the concept of internationalisation is also, in Japanese eyes, a kind of potent, yet unresolved statement about their country's role and self-image in the modern world. The key problem, and probably few Japanese firms would care to admit it, is that the 'unique Japanese way of thinking', which draws such sharp distinctions between things Japanese and non-Japanese, is at variance with 'true' internationalisation. The burning question is how long can Japanese firms, so deeply imbued with economic patriotism, continue to practice their highly distinctive brand of ethnocentric globalism as it were internationalisation?

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