

# **How should organizations deal with individual personalities and social aspects?**

**A case study of employment relationships between Japanese companies and highly-skilled foreign workers**

Japan Society for the Promotion of Science

Post-Doctoral Research Fellow

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# My Research Interests

- My first interest: Migration study

How and why do foreign workers come to Japan?



I want to explain the gaps between Japanese firms and foreign workers

- Present interest: **Organizational study**

How can organizations and diverse individuals work well together?

## Connect my interests to the session agenda

- ❑ Organizational socialization is becoming increasingly important in a **globalized society that can no longer assume a single workforce.**
  - How do/should organizations respond to **individualized industrial relations?**
  - How does **corporate nationality** make a difference in the process of organizational socialization?

# Connect my interests to the session agenda

- Main target: The employment relationship between **Japanese traditional companies (JTCs)** and **highly-skilled foreign workers (HFWs)**
  - Organizations would increasingly have to organize the more diverse workforce
  - Compare to natives, foreign workers have more difficulty in socializing and adapting to organizations
- How to organize individuals who are inherently different (and have not been envisioned before)?

# Connect my interests to the session agenda

- Why focus on these employment relationships?
- JTCs have favored the Japanese in the (firm) internal labor market
  - How do organizations make them docile subjects/ agentic actors in organizational socialization?
- HFWs are highly capable, so they are able to negotiate on equal terms with the organization
  - How do foreigners react to such organizational socialization?

# Aims of this presentation

- As our society becomes more global and diverse, the employment relationship between
  - **Highly-skilled foreign workers (HFWs:** a typical symbol of economic globalization) and
  - **Japanese traditional companies (JTCs:** a typical organization with regional and unchanging traits)is an interesting and noteworthy subject for sociologists.
  
- I focus on these relationships from the perspective of **organizational socialization** and **sensemaking**.

# Japanese Policies of Accepting Foreigners

- ❑ **Japan** has been viewed as a classic example of a **negative response to immigration** compared to other industrialized countries (Bartnam, 2000; Tsuda and Cornelious, 2004).
- ❑ Japan's strict immigration policy is the strong belief that the country is composed of a single ethnic group, **leading to views of foreigners as disruptive** (Oishi and Igarashi, 2023).
- ❑ Japan and Japanese companies are **only tolerant of highly-skilled immigrants** (Oishi 2012)
  - Positively accept foreigners with high expertise in response to the declining population and economic malaise
  - With increasing interest in diversity management, more firms are focusing on hiring foreign nationals for strategic reasons.

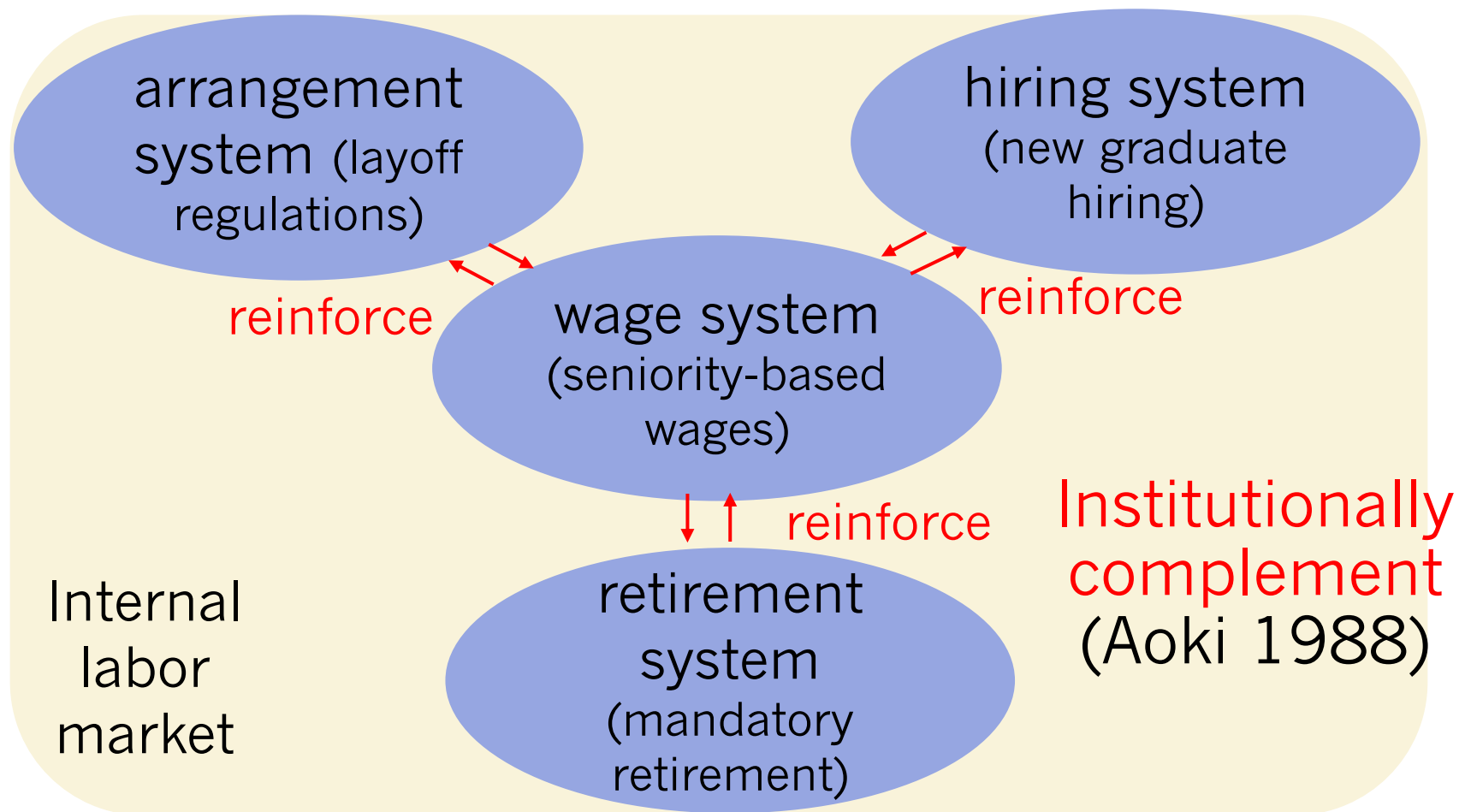
# Organizational Traits of JTCs

- JTCs are characterized by their internal labor market system so-called “**Japanese employment system**” (Cole 1979; Gordon 1985; Keeley 2001)
  - The internal labor market system restricts entry-level positions to lower levels, from which employees can get desirable positions or jobs in a firm (Doeringer and Piore 1971; Pfeffer and Cohen 1984).
- This system is kept strong by institutional complementarities (Dore 1973; Aoki 1988)



# Organizational Traits of JTCs

Complemental institutions in Japan (Saguchi 2018)



# Organizational Traits of JTCs

- JTCs are attributed to the principle of the Japanese employment system that prioritizes job security and good job ladders for limited workers (only for **male, middle-aged, and Japanese regular employees**)
  - Women, youth, the elderly, and foreigners have been excluded from this prioritized system (Jacoby 2005; Mun and Jung 2018; Imai 2021)

# Problems of the employment relationships

- ❑ Employment relationships between JTCs and HFWs are not successfully lasting
  - JTCs have difficulty in hiring and promoting talented HFWs in Japan (JILPT 2013)
  - Low job satisfaction for HFWs (Oishi 2012)
- Short-term turnover than both expect occurs despite its long-term job security (Sonoda 2023)
- **It is a typical case of organizational socialization has gone wrong.**

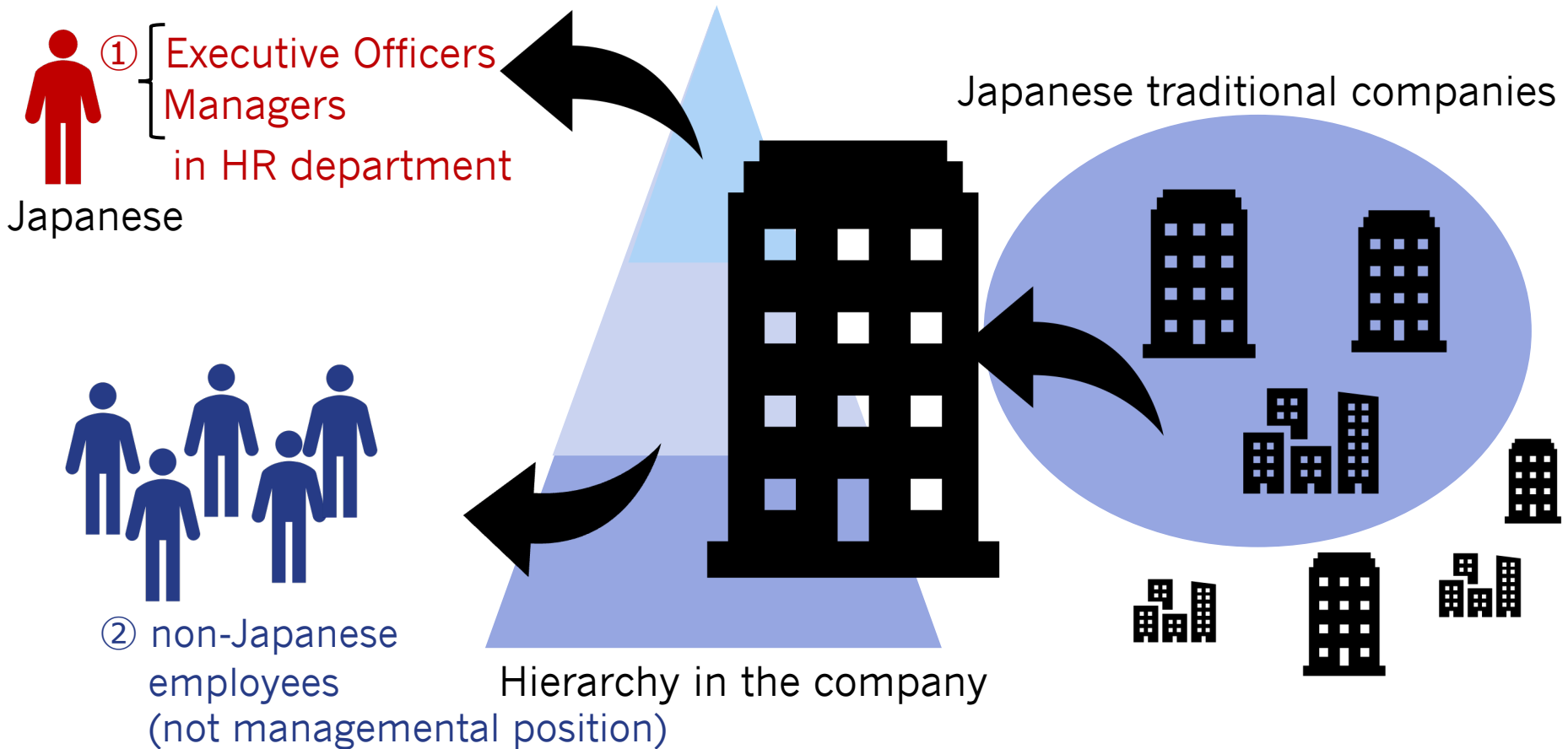
# Research Questions

1. How do organizations (JTCs) deal with the personal and social aspects of individuals (HFWs) in organizational socialization?
  - How do JTCs de-colorize the nationality and personality of HFWs?
  
2. What effect on individual workers (HFWs) and how do they react to organizational behaviors?
  - How do HFWs counter the organizational socialization of JTCs?

# Data on this presentation

- ① Interviews for large JTCs in Managerial positions
    - 7 Executive Officers belonging HR Department (central function of organizational socializing, and typical department of the Japanese employment practices: Jacoby 2005)
    - 11 HR managers in 7 companies
  - ② Interviews for HFWs working at large JTCs
    - Interviewed 28 people working in Japan
- How each organization/individual understands this relationship and attempts to maintain/dissolve it

# Data on this presentation



→ **Many of them are hired as new graduates** in accordance with the Japanese employment system and are therefore of **relatively low age and position**.

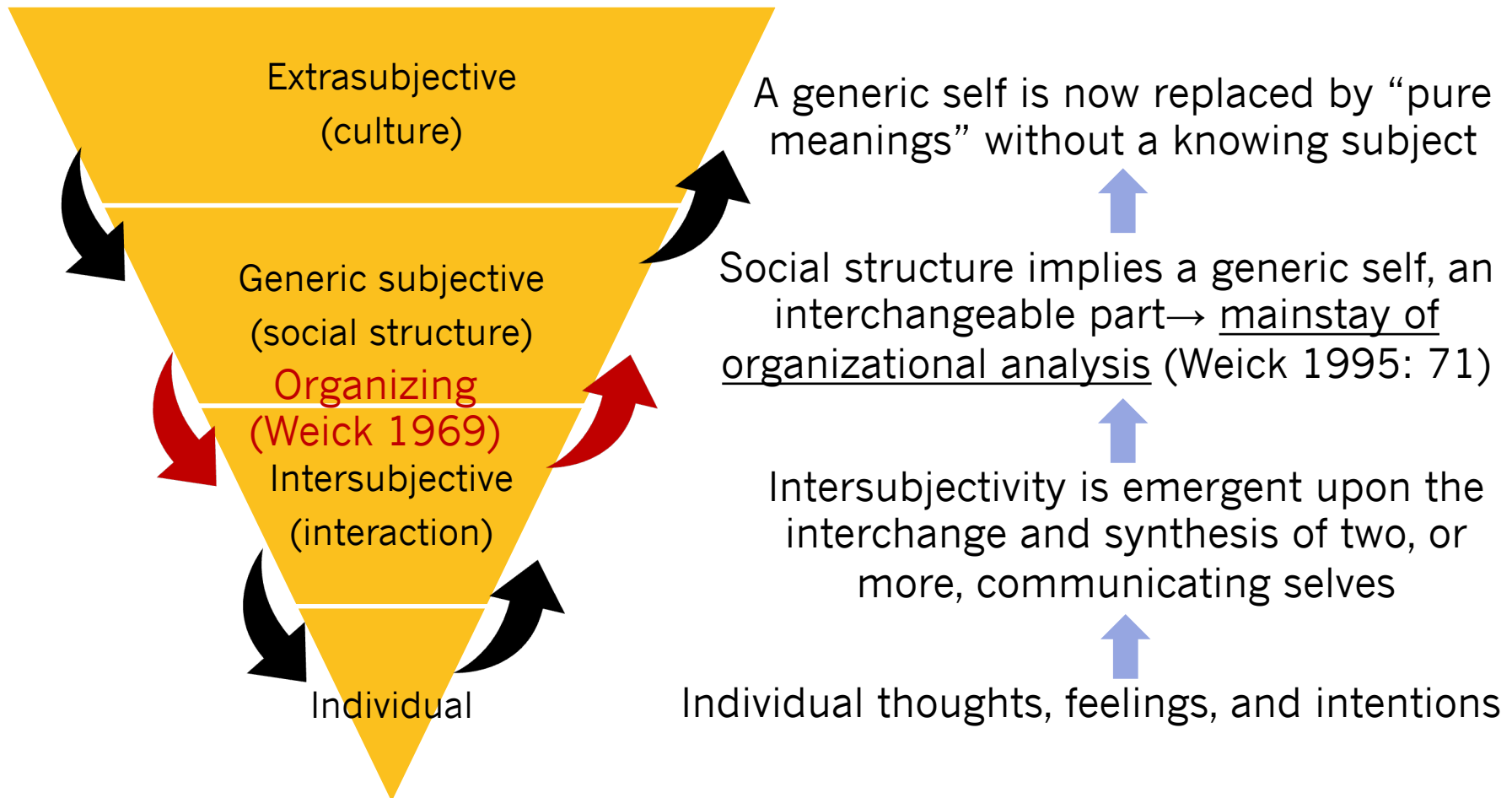
# Framework of data analysis

- ❑ I mainly focus on **sensemaking** in organizations (Weick 1995)



- ❑ Sensemaking is **the process of reflexively making sense of one's own interpretations**
- Sensemaking in organizations is seen in four levels
  - Individual /Intersubjective /Generic subjective/ Extrasubjective order (Wiley 1988)

# 4 levels of sensemaking in organizations



Organizing lies atop that movement between the intersubjective and the generically subjective. (Weick 1995: 72)



# Framework of data analysis

- **How sensemaking for employing HFWs is organized in JTCs?**
  - How individual sensemaking is modified as “organizational”?
  
- **How HFWs take in/resist this organizational sensemaking?**
  - How do individuals make sense of it?

## RQ① How do JTCs deal with HFWs?

❑ Japanese managers have **multi-layered expectations** for high potential foreigners

① Heterogeneity with the Japanese: Employment is aimed as part of diversity management, where their diversity generates change and innovation in homogeneous Japanese companies.



HFWs

② Homogeneity with the Japanese: JTCs expect to treat them in talent management without any difference from the Japanese because they don't want to change their institutional assumptions.

→ These expectations often conflict with each other in labor management and career development of HFWs.  
(ex. job assignment, career design, linguistic barrier...)

# RQ① How do JTCs deal with HFWs?

## □ Seven Properties of Sensemaking (Weick 1995: 17)

How about employing HFWs?

1. Grounded in identity construction
  2. Retrospective
  3. Enactive of sensible environments
  4. Social
  5. Ongoing
  6. Focusing on and by extracted cues
  7. Driven by plausibility rather than accuracy
- Japanese employment practices
- Social importance of employing HFWs
- Practical conflicts between the above two legitimacies

→ Organization need sensemaking

## RQ① How do JTCs deal with HFWs?

- How do we tailor individual intentions into organizational sensemaking?
  - Focusing on the timing of change subject in interview (When "I" are switched to "We")
- **they attribute their ideas and positions to intersubjective ones** common to the organization and add some warrants to justify their cognitive dissonance.
- = **Sensemaking to subordinate HFWs to the organization** by treating what does not fit into the existing institutional framework **as a personal (individual foreigner's) problem**

# RQ① How do JTCs deal with HFWs?

1. Maintaining organizational identity  
(**re-organizing their identity as “an organization”**)
  - “In the extremely saying, it is a matter of our company's identity, and if you don't understand it, we will ask you to leave.”
  - Insist on their inability to change
2. Adaptation to society and their organizational fields  
(**mentioning that it is determined by social structure**)
  - “The Japanese society is built on the premise of the new graduate practice, so we cannot changed on our own.”
  - Insist on their inability to change
3. Attribution to the personality of the individual foreigner
  - “We think the very final cause of this is still more individuality and their personality than nationality.”
  - Forcing foreigners to conform to their organizations

## RQ① How do JTCs deal with HFWs?

- ❑ This sensemaking indicates to de-nationalize foreign workers to unify their identities as “general” employees.
- = Instead of institutional change based on differences in nationality, **they made sense to start looking for excuses to ignore these differences in nationality.**



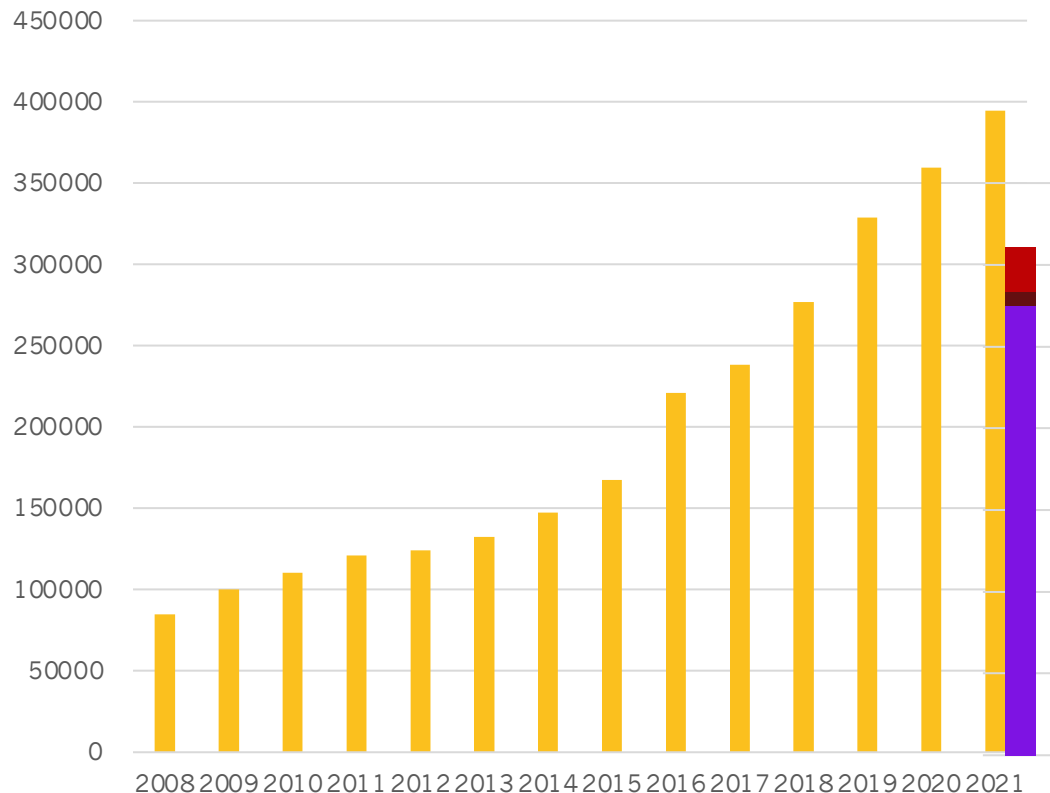
- They seek to hire high-potential foreign nationals through the same graduate recruitment channels as the Japanese.
- Require organizational socialization for foreigners based on the assumption that Japanese have been used to the (on the job) training process and institutional adaptation.

## RQ② How HFWs react to it?

### □ Characteristics of HFWs working in Japan

- Divided into 17 categories according to visa status

The number of HFWs in Japan



- A high percentage (78%) of private sector workers, many of whom are below the managerial level (70%)
  - HFWs in managerial positions are about 7%
  - Expatriates account for about 2% of total
- Around 75% of HFWs are from Asian countries

## RQ② How HFWs react to it?

- Most of the HFWs in non-managerial positions are hired through the graduate recruitment channels
  - Interviewees may not necessarily have a clear career plan (within a Japanese company)
  - For those who harbor uncertainty regarding their future career prospects, the available career path through new graduate recruitment holds allure, at least in the short term.
- They see working for JTCs as a temporary place to stay  
**(The best solution as a first place to work)**



## RQ② How HFWs react to it?

- ❑ HFWs do not take the disadvantages of being a foreigner in the Japanese employment system seriously, **because they do not take a long-term view.**
- ❑ However, HFWs who establish employment relationships with JTCs gradually are aware of JTC's efforts to de-nationalize them in organizational socialization.




- ❑ They are more aware of their **individual and collective identities as foreigners** through their sensemaking

## RQ② How HFWs react to it?

- ❑ HFWs make sense of organizational socialization as Japanese originating from the Japanese employment system and excluding foreign nationals
  - “Japanese companies still hire people with the intention of lifetime employment, which is very demotivating for foreigners who don't know what's ahead of us!”
  
- ❑ They reinterpret Japanese employment practices that they viewed as trivial before working as causes of their turnover
  - “I like the company I was with, but I hate the traditional Japanese corporate style, so I'm leaving here.”

## RQ② How HFWs react to it?

- ❑ As a result, they use the Japanese employment system as their “Vocabularies of Motive” (Mills 1940) for leaving their companies.
    - = They are also doing their own **sensemaking by bringing up the Generic subjective factor** (social structure).
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- ❑ They do sensemaking to react to organizational socialization and **counter subordination to the organization.**

# Conclusion

1. How do organizations (JTCs) deal with the personal and social aspects of individuals?  
→ Organizations engage in sensemaking to fit their members into the existing conventions, which means denationalization for HFWs
2. What effect on individual workers (HFWs) and how they react to the organizational behaviors?  
→ HFWs also do sensemaking to resist organizational socialization that seeks to subordinate them.

# Conclusion

- ❑ **Organizational socialization creates some discrepancy and sensemaking** among members
  - this discrepancy is more likely to surface as society becomes globalizing and diversifying
  
- ❑ **When considering organizational socialization**, it will be important to **capture the multi-layered sensemaking** taking place within an organization
  - We should pay attention to the organizing process in which sensemaking takes place, and orient it toward appropriate inclusion for individuals.

# Thank you for listening!



(If you want more information or discussion,  
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