



# **Japanese firms aiming for transnational management denationalize highly skilled foreign workers in Japan**

## **The importance of rethinking in the Crisis**

Japan Society for the Promotion of Science

Post-Doctoral Research Fellow

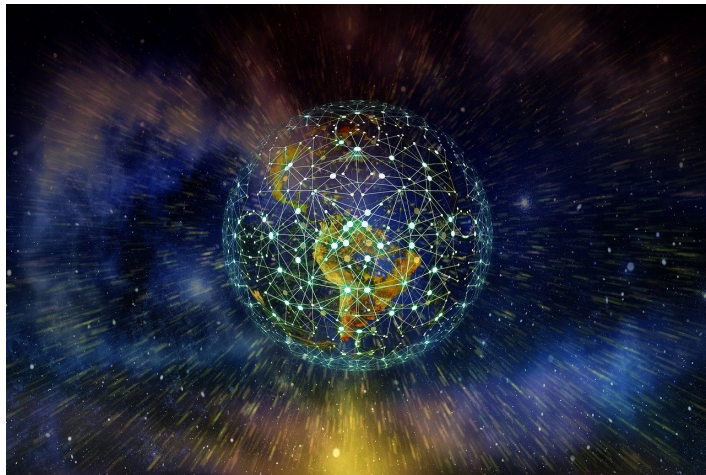
SONODA Kaoru



# Background of the presentation



➤ Transnationalism is progressing and movement across borders is becoming easier.



➤ In sociology, various types of mobilities, flows, and relationships that transcend national borders have attracted attention.



# Background of the presentation

- ❑ However, this trend has not progressed steadily since the 21st century.
  - Terrorism threat
  - Stagnation due to pandemic
  - overheating nationalism



→ Many factors hinder transnationalism



# Background of the presentation



I specialize in organizational sociology.

- Companies also advocate transnationalism as the ideal type of international management and try to become multinational.
- Japanese companies are symbolized as organizations with challenges for globalization.



# 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.



# 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.



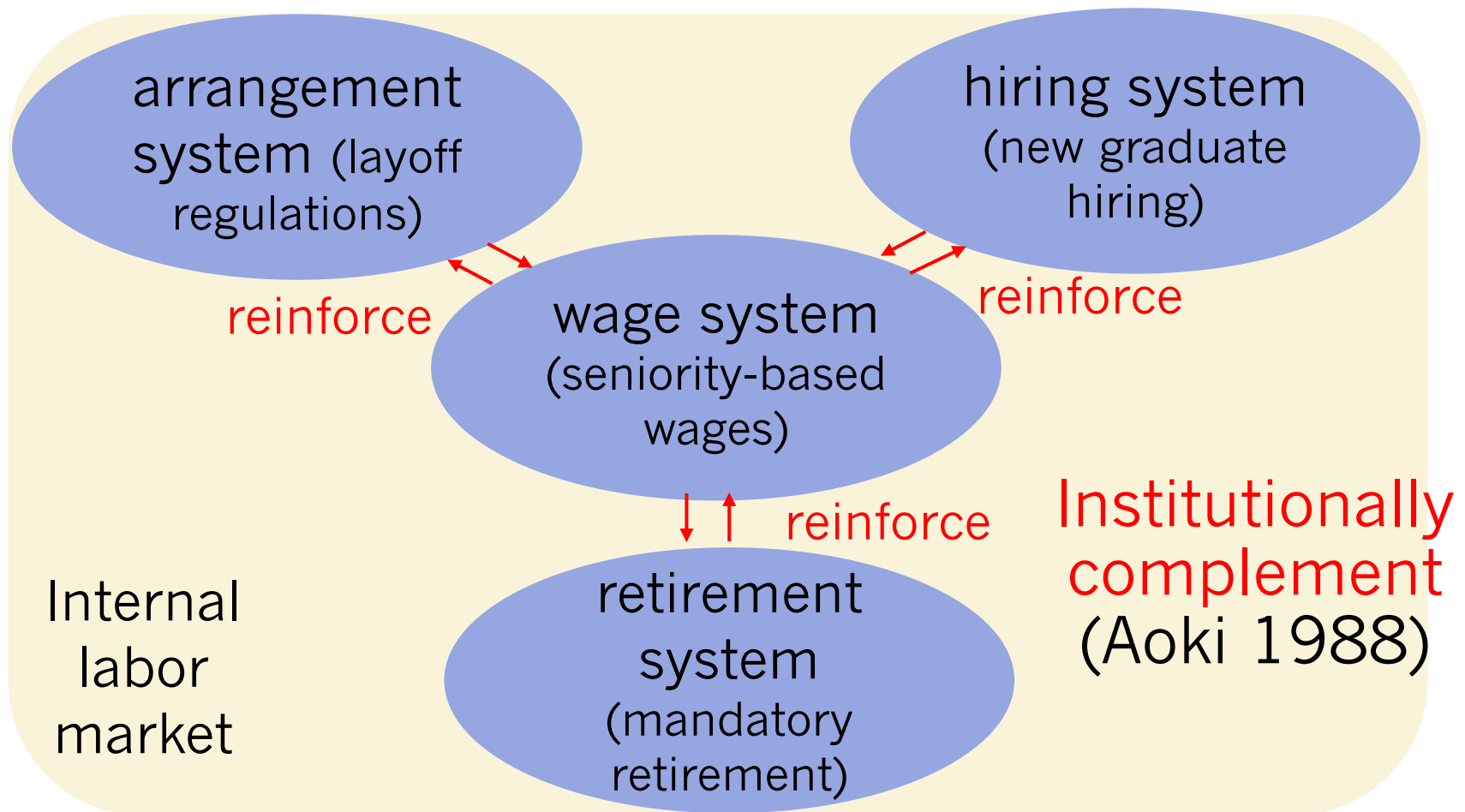
# Organizational Traits of JTCs

- 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)
- **A typical case of organizational socialization has gone wrong.**



# Research Questions

1. How do **JTCs deal with HFWs** in organizational socialization?
  2. How do **HFWs react to such organizational behaviors?**
- From both sides of employment relationships, we have to rethink the actual problems of transnationalism in organizations

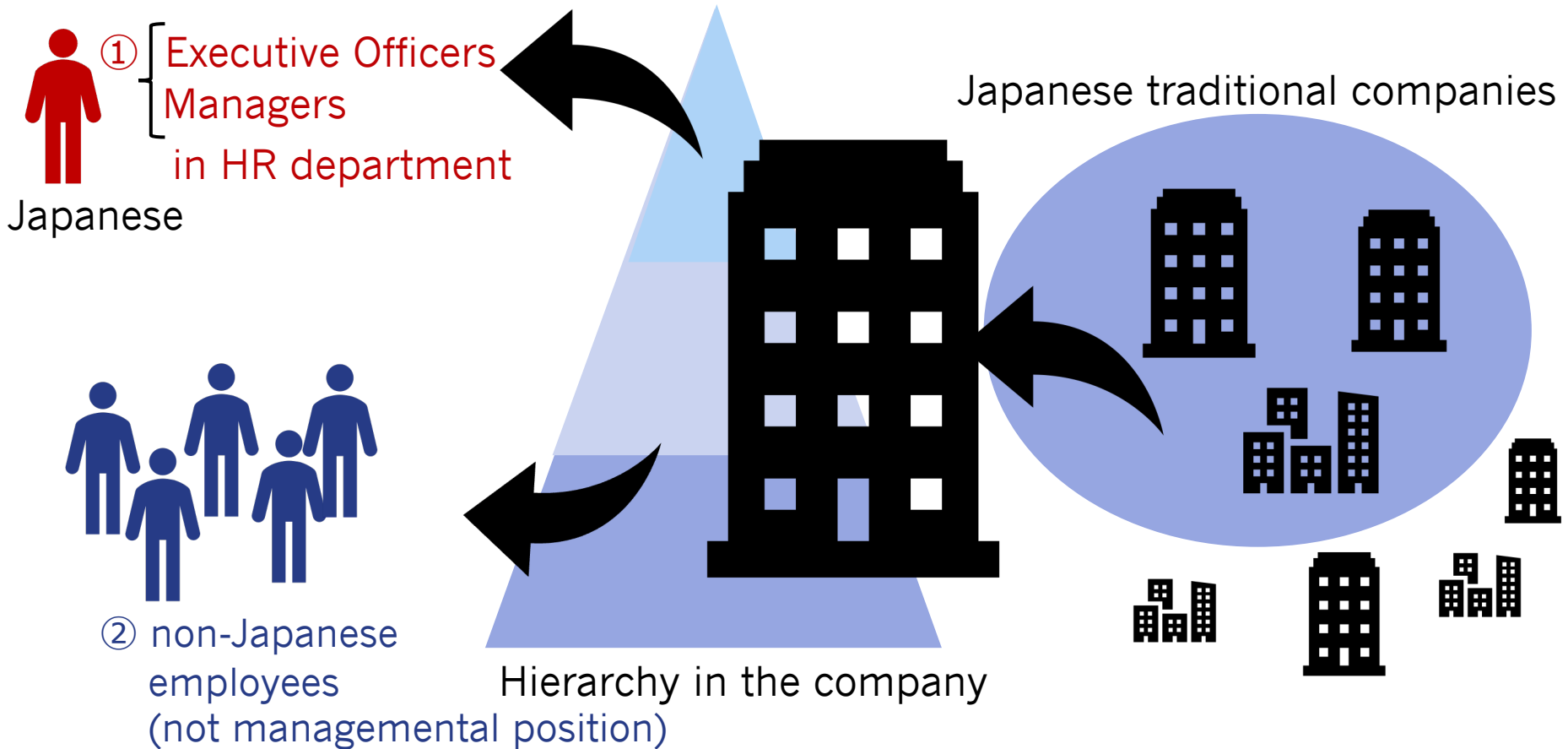


# Data on this presentation

- 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



# 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**.



# 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?


- ❑ Organizations deal with these conflicts by sensemaking (Weick 1995) that subordinate HFWs to the organization by treating what does not fit into the existing institutional framework as a personal and general problem.



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



## RQ② How HFWs react to it?

- ❑ HFWs didn't take the disadvantages of being a foreigner in the Japanese employment system seriously, **because they did not take a long-term view at first.**
  - ❑ However, HFWs who establish employment relationships with JTCs are gradually 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 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 1944) for leaving their companies.



- ❑ They do their sensemaking to react to organizational socialization and **counter subordination to the Japanese firms.**



# Conclusion

1. Organizations engage in sensemaking to fit their members into the existing conventions, which means denationalization for HFWs.
  2. HFWs also do their sensemaking to resist organizational socialization that seeks to subordinate them.
- The transnational movement pursued by Japanese companies differs from the idealized concept of transnationalism that emphasizes increased freedom from fixity.



# Conclusion

- ✓ The case of Japanese firms hiring foreign nationals proposes the necessity for rethinking the malicious use of transnationalism by (multinational) companies.
  - ✓ They seek to involve more potential stakeholders with minimized risk within the boundaries of the state (Japan) and existing systems (Japanese employment system).
- We need to reconsider such (seemingly ethnocentric) management policies in Japan.



# Thank you for listening!



(If you want more information or discussion,  
please contact me through the address below)

[kaorusonoda35@gmail.com](mailto:kaorusonoda35@gmail.com)



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